
FINDINGS AND ORDER
OF THE
CORRIGAN-CAMDEN INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
**MARTCO LIMITED PARTNERSHIP, ROY O. MARTIN LMB
MGT, LLC**
(APPLICATION #1018)

December 9, 2014

COUNTY OF POLK §

1. On July 17, 2014, the Superintendent of Schools of the Corrigan-Camden Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from Martco #1018 for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.
2. The Board of Trustees acknowledges receipt of the Application, along with the required application fee, as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

3. The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Polk County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.
4. The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a favorable recommendation was issued on September 10, 2014. A copy of the Comptroller's letter is attached to the findings as **Attachment B**.
5. After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation pursuant to Texas Tax Code § 313.026 and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Attachment C**.
6. The Board of Trustees also directed that a specific financial analysis be conducted of the impact of the proposed value limitation on the finances of the Corrigan-Camden Independent School District. A copy of a report prepared by Jigsaw Consulting is attached to these findings as **Attachment D**.
7. The Board of Trustees has confirmed that the taxable value of property in the Corrigan-Camden Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in **Attachment E**.
8. After receipt of the Application, the District submitted a proposed form of Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, in the form required by the Comptroller of

Public Accounts. The proposed Agreement is attached to these findings as **Attachment F**.

After review and consideration of presentations from the District's administrative staff, and from attorneys and consultants retained by the District, and Attachments A, B, C, D, E, and F, the Board finds:

Board Finding Number 1.

The summarized investment, employment, and tax impact on the District of the Martco Application #1018 is as stated and sourced in Table 1 of Attachment A to the Comptroller's Economic Impact Study (**Attachment C**), which is adopted by reference.

Board Finding Number 2.

The estimated statewide economic impact of the Martco qualified investment in the District is as stated and sourced in Table 2 of Attachment A to the Comptroller's Economic Impact Study (**Attachment C**), which is adopted by reference.

Board Finding Number 3.

The estimated direct impact on ad valorem taxes in the District and in Polk County without any limitation on Martco's qualified property is as stated and sourced in Table 3 of Attachment A to the Comptroller's Economic Impact Study (**Attachment C**), which is adopted by reference.

Board Finding Number 4.

The estimated direct impact of Application #1018 on ad valorem taxes in the District and in Polk County, with all property tax incentives sought being granted using estimated market value from Martco's application is as stated and sourced in Table 4 of Attachment A to the Comptroller's Economic Impact Study (**Attachment C**), which is adopted by reference.

Board Finding Number 5.

The differences in estimated direct impact on ad valorem taxes in the District and in Polk County without and with the property tax incentives sought are as stated and sourced in the last line of Table 4 of Attachment A to the Comptroller's Economic Impact Study (**Attachment C**), which is adopted by reference.

Board Finding Number 6.

The Comptroller has determined that an agreement for an appraised value limitation on qualified property between Martco and the District as requested in Application #1018 is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue

in an amount sufficient to offset school district maintenance and operations ad valorem tax revenue lost as a result of the agreement, as more fully stated and sourced in Attachment B of the Comptroller's Economic Impact Study (**Attachment C**), which is adopted by reference.

Board Finding Number 7.

The appraised value limitation on qualified property requested by Martco in the application is a determining factor in Martco's decision to invest capital and construct the project in this state as more fully stated and sourced in Attachment C to the Comptroller's Economic Impact Study (**Attachment C**), which is adopted by reference.

Board Finding Number 8.

The information in Application #1018 for an appraised value limitation on qualified property is true and correct.

Board Finding Number 9.

Martco is eligible for the appraised value limitation on qualified property requested in Application #1018.

Board Finding Number 10.

Considering the purpose and effect of the law, the Comptroller's Economic Impact Study (**Attachment C**), the impact of the proposed value limitation on the finances of the District (**Attachment D**), the terms of the Agreement (**Attachment F**), and all other matters of record, it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (**Attachment F**).

It is therefore ORDERED:


- (1) that Application #1018 is approved;
- (2) that a copy of these findings be provided forthwith to Martco;
- (3) that the Agreement attached hereto as **Attachment F** is approved and hereby authorized to be executed and delivered by and on behalf of the Corrigan-Camden Independent School District.

Board Findings and Order of the Corrigan-Camden Independent School District

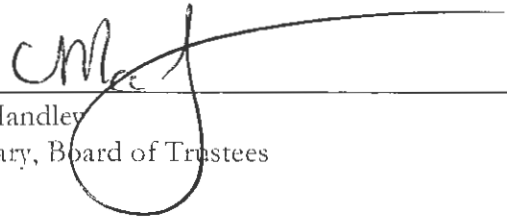
It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the Corrigan-Camden Independent School District.

Dated the 9th day of December, 2014.

CORRIGAN-CAMDEN INDEPENDENT SCHOOL DISTRICT

By: 
Sean Burks
President, Board of Trustees

ATTEST:

By: 
Seth Handley
Secretary, Board of Trustees

Attachment A

June 16th, 2014

Corrigan-Camden ISD
Ms. Sherry Hughes
504 S Home Street
Corrigan, Texas 75939

RE: Application for Section 313 – Value Limitation Agreement

Martco Limited Partnership, Roy O. Martin Lmb Mgt, LLC is considering plans to build an OSB Plant inside Corrigan-Camden ISD. The estimated investment for this project will be approximately \$262mm, with estimated completion in the 4th quarter of 2015.

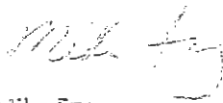
The positive economic impact stretches beyond the investment by providing a large number of jobs during the construction phase, and at least 165 full time local jobs once construction is complete.

Martco Limited Partnership is committed to the growth and welfare of the community. We believe our investment in Polk County affirms our dedication to maintaining a considerable presence in the area.

Attached is our application for property tax limitation. We respectfully request this 10 year limitation under The Appraised Value Limitation on Qualified Property (Chapter 313 of the Texas Tax Code).

Please feel free to contact me if you have any questions. I can be reached via telephone 469-298-1594 or by email mfrv@keatax.com.

Sincerely,



Mike Fry

TAB 01

Application



Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

Economic Development
and Analysis
Form 50-296-A

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
 - the date on which the school district received the application;
 - the date the school district determined that the application was complete;
 - the date the school board decided to consider the application; and
 - a request that the Comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at www.texasahead.org/tax_programs/chapter313/. There are links on this Web page to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1 - School District Information

1. Authorized School District Representative

Date Application Received by District

Sherry

Hughes

First Name

Last Name

Superintendent

Title

Corrigan-Camden ISD

School District Name

604 S Home Street

Street Address

Mailing Address

Corrigan

Texas

75939

City

State

ZIP

936-398-4040

936-398-4616

Phone Number

Fax Number

Mobile Number (optional)

Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application?

Yes

No



Application for Appraised Value Limitation on Qualified Property

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (if Applicable)

Sara

First Name

Attorney

Title

Powell & Leon LLP

Firm Name

512-494-1177

Phone Number

Leon

Last Name

512-494-1188

Fax Number

eleon@powell-leon.com

Email Address

Mobile Number (optional)

4. On what date did the district determine this application complete?

5. Has the district determined that the electronic copy and hard copy are identical?

☐ Yes

☐ No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Roy

First Name

President

Title

2189 Memorial Drive

Street Address

PO Box 1110

Mailing Address

Alexandria

City

318-448-0405

Phone Number

318-542-0373

Mobile Number (optional)

Martin

Last Name

RoyOMartin *

Organization

LA

State

318-473-2624

Fax Number

roy.martin@royomartin.com

Business Email Address

71309-1110

ZIP

2. Will a company official other than the authorized company representative be responsible for responding to future information requests?

☐ Yes

☒ No

2a. If yes, please fill out contact information for that person.

First Name

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

Business Email Address

3. Does the applicant authorize the consultant to provide and obtain information related to this application?

☐ Yes

☐ No

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

Application for Appraised Value Limitation on Qualified Property



SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (if Applicable)

Mike _____ Fry _____
 First Name Last Name
 Director - Energy Services _____
 Title _____
 K E Andrews _____
 Firm Name _____
 469-298-1594 _____ 469-298-1619 _____
 Phone Number Fax Number
 mtry@keatax.com _____
 Business Email Address _____

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? ☒ Yes ☐ No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in Tab 2 proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Martco Limited Partnership, Roy O. Martin Lmb Mgt, LL
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) N/A (72-0920365)
3. List the NAICS code 321219
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☐ Yes ☒ No
- 4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Partnership
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☐ Yes ☒ No
- 2a. If yes, attach in Tab 3 a copy of Texas Comptroller Franchise Tax Form No. 05-135, No. 05-186, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? ☒ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☐ Yes ☐ No ☒ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in Tab 3)

Application for Appraised Value Limitation on Qualified Property

SECTION 6: Eligibility Under Tax Code Chapter 1712

1. Are you an entity subject to the tax under Tax Code, Chapter 1712? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☒ Yes ☐ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☐ Yes ☒ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(a)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In Tab 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (complete Section 13)
<input type="checkbox"/> Expansion of existing operation on the land (complete Section 13)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☐ Yes ☒ No
2. Has the applicant entered into any agreements or contracts for work to be performed related to the proposed project? ☐ Yes ☒ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other official documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes ☐ No
8. Has the applicant considered or is the applicant considering other locations not in Texas for the proposed project? ☒ Yes ☐ No
9. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☒ Yes ☐ No
10. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☒ Yes ☐ No

If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Application for Appraised Value Limitation on Qualified Property



SECTION 9: Projected Timeline

1. Application approval by school board 09/15/2014
2. Beginning of qualifying time period 01/01/2015
3. First year of limitation 2017
4. Begin hiring new employees 3/31/2016
5. Commencement of commercial operations 12/31/2016
6. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No
Note: Improvements made before that time may not be considered qualified property.
7. When do you anticipate the new buildings or improvements will be placed in service? 12/31/2016

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Polk County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Polk CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

County: Polk County, 0.6461/\$100 (Name, tax rate and percent of project)	City: (Name, tax rate and percent of project)
Hospital District: (Name, tax rate and percent of project)	Water District: (Name, tax rate and percent of project)
Other (describe): (Name, tax rate and percent of project)	Other (describe): (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? ☒ Yes ☐ No
5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No
6a. If yes, attach in Tab 6 supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at www.texasahead.org/tax_programs/chapter313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 20,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 7);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7); and
 - c. a detailed map of the qualified investment showing location of new buildings or new improvements with vicinity map (Tab 11).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/



Application for Appraised Value Limitation on Qualified Property

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 3);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☒ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - c. owner (Tab 9);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
 - e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☐ Yes ☒ No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
 - b. legal description of reinvestment zone (Tab 16);
 - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - d. guidelines and criteria for creating the zone (Tab 16); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? 12/01/2014

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In Tab 10, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC §1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ 0.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of §313.021(1). Such property cannot become qualified property on Schedule B.

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

Application for Appraised Value Limitation on Qualified Property



SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☒ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2014
 (year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
 Note: For job definitions see TAC §9.1051 and Tax Code §313.021(5).
4. What is the number of new qualifying jobs you are committing to create? 145
5. What is the number of new non-qualifying jobs you are estimating you will create? 20
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes ☒ No ☐
 - 6a. If yes, attach evidence in Tab 12 documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in Tab 13 the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 678.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 519.20
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 712.84
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or ☒ §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 37,067.80
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 38,000.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.024(d-2)? Yes ☐ No ☒
 - 12a. If yes, attach in Tab 12 supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes ☐ No ☒
 - 13a. If yes, attach in Tab 6 supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in Tab 14. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in Tab 15. (not required)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in Tab 15.



Application for Appraised Value Limitation on Qualified Property

SECTION 16- Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print
here

Print Name (Authorized School District Representative)

Title

sign
here

Signature (Authorized School District Representative)

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print
here

Print Name (Authorized Company Representative (Applicant))

Title

sign
here

Signature (Authorized Company Representative (Applicant))

Date

GIVEN under my hand and seal of office this, the

17th day of July, 2014

Patti D. Busby, Notary Public
Rapides Parish, Louisiana
Notary No. 42287

(Notary Seal)

Notary Public in and for the State of Texas

My Commission expires: with life

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.



Application for Appraised Value Limitation on Qualified Property

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 18, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 87 of the Texas Penal Code.

print
here

Print Name (Authorized School District Representative)

Title

sign
here

Signature (Authorized School District Representative)

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 87 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print
here

Roy O. Martin III
Print Name (Authorized Company Representative (Applicant))

Title
President

sign
here

[Signature]
Signature (Authorized Company Representative (Applicant))

Date
6-9-2014

GIVEN under my hand and seal of office this, the

9th day of June
[Signature]
Notary Public in and for the State of Texas
Louisiana

(Notary Seal)

My Commission expires: at death

Cade J. Young

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor under Texas Penal Code Section 37.03.

Notary Public ID # 05875
Rapides Parish, Louisiana

Application for Appraised Value Limitation on Qualified Property



APPLICATION TAB 0605 FOR REQUESTED ATTACHMENTS

TAB ATTACHMENT

- 1 Pages 1 through 11 of Application
- 2 Proof of Payment of Application Fee
- 3 Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation *(if applicable)*
- 4 Detailed description of the project
- 5 Documentation to assist in determining if limitation is a determining factor
- 6 Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor *(if applicable)*
- 7 Description of Qualified Investment
- 8 Description of Qualified Property
- 9 Description of Land
- 10 Description of all property not eligible to become qualified property *(if applicable)*
- 11 Maps that clearly show:
 - a) Project vicinity
 - b) Qualified investment including location of new buildings or new improvements
 - c) Qualified property including location of new buildings or new improvements
 - d) Existing property
 - e) Land location within vicinity map
 - f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size

Note: Electronic maps should be high resolution files. Include map legends/markers.
- 12 Request for Waiver of Job Creation Requirement and supporting information *(if applicable)*
- 13 Calculation of three possible wage requirements with TWC documentation
- 14 Schedules A1, A2, B, C and D completed and signed Economic Impact *(if applicable)*
- 15 Economic Impact Analysis, other payments made in the state or other economic information *(if applicable)*
- 16 Description of Reinvestment or Enterprise Zone, including:
 - a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office
 - b) legal description of reinvestment zone*
 - c) order, resolution or ordinance establishing the reinvestment zone*
 - d) guidelines and criteria for creating the zone*

* To be submitted with application or before date of final application approval by school board
- 17 Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative *(applicant)*

TAB 02

Proof of Payment of Application Fee

Proof of payment of filing fee received by the
Comptroller of Public Accounts per TAC Rule
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of Public
Accounts)*

Documentation of Combined Group Membership

TAB 03

Documentation of Combined Group Membership

N/A

Documentation of Combined Group Membership

TAB 04

Detailed Description of Project

Project Description:

Proposed physical location: West of Hwy. 59 and South of Hwy. 287, Polk County, outside the city limits of Corrigan, Texas.

Martco proposes to build an oriented strand board plant at the site with 145 qualifying jobs and 20 non-qualifying jobs averaging \$38,000.00 plus annually. Employee benefits include vacation and personal days, healthcare 92% paid by the company; dependent coverage is 67% paid by the company, 401(a) and 401(K) retirement plans. Plant cost will exceed \$235 million and require 1000+ construction workers over a 20 month period. The market for oriented strand board is for single and multi-family housing across the Southwest U.S.

OSB Plant:

Compressors

Forklifts-inside

Forklifts-outside

Machine Shop M&E

Office Electronic Machines

Office F&F

OSB M&E

Pollution Control M&E

Water Systems

Other Real Property

Land and Improvements

Land

Texas OSB Project

The proposed plant will be constructed along the same design as our OSB Plant in Oakdale Louisiana. The Plant is designed to produce 800 MMSQ of OSB per year. Operations run 24 hours a day, 7 days a week, with a major maintenance day taking production for one shift down every three weeks.

The Plant will be located away from property boundaries providing a large buffer on all sides, please see the attached site plan with the proposed plant location. The main entrance to the plant will be from Highway 59, we have been in discussions with Texas DOT about installing entrance turn lanes for both the North and South directions. Upon exiting from Highway 59 a 500ft section of roadway will provide a staging area for trucks in the event a Train is moving thru the crossing. A new Crossing will be installed on the UP Railroad providing access crossing the Railroad. ROM has been in contact with the UP Railroad coordinating the Crossing location and Design to ensure that we meet all traffic flow requirements. Trucks entering the Plant site will travel approximately one mile before reaching the Entrance Security/Scale point.

The plant will employ 165 people, shifts will run from 6 AM to 6 PM, crews will rotate between day and night shifts as they schedule directs.

The main Administration Building will be about 6,000 sq. /ft. housing Management and support Staff.

The Scales building will be about 5,000 sq./ft. and house the Scale, Forestry and support staff as well as a trucker's Lounge.

The Strander building will be approximately 15,000 sq./ft. and house the Stranders, Knife set up Room, Electrical Control Rooms, Rest Room and Break room.

The Blender Building will be about 14,500 sq./ft., it is a multi story building housing equipment on all levels.

The Main process building is a connections of various processing centers from Forming to Shipping. The Forming and Press area is 90,630 sq. /ft.

Finishing area is 218,750 sq. /ft.

Shipping and Rail loading is 233,800 sq. /ft.

TAB 05

Limitation as Determining Factor

PRIMARY COMPETITION FOR PROJECT (Out of State)

<u>City</u>	<u>State or Country</u>	<u>Incentive</u>
Oakdale Enterprise Zone	Louisiana	Quality Jobs,
Shreveport Markets Tax	Louisiana	Fast Start, New Credit Financing, Industrial Tax Exemption, Sales/Use Tax Exemption

TAB 06

N/A

TAB 07

Description of Qualified Investment

Project Description:

Proposed physical location: West of Hwy. 59 and South of Hwy. 287, Polk County, outside the city limits of Corrigan, Texas.

Martco proposes to build an oriented strand board plant at the site with 145 qualifying jobs and 20 non-qualifying jobs averaging \$38,000.00 plus annually. Employee benefits include vacation and personal days, healthcare 92% paid by the company; dependent coverage is 67% paid by the company, 401(a) and 401(K) retirement plans. Plant cost will exceed \$235 million and require 1000+ construction workers over a 20 month period. The market for oriented strand board is for single and multi-family housing across the Southwest U.S.

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The main Administration Building will be about 6,000 sq. /ft. housing Management and support Staff.

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The Blender Building will be about 14,500 sq./ft., it is a multi story building housing equipment on all levels.

The Main process building is a connections of various processing centers from Forming to Shipping. The Forming and Press area is 90,630 sq. /ft.

Finishing area is 218,750 sq. /ft.

Shipping and Rail loading is 253,800 sq. /ft.

TAB 08

Project Description:

Proposed physical location: West of Hwy. 59 and South of Hwy. 287, Polk County, outside the city limits of Corrigan, Texas.

Martco proposes to build an oriented strand board plant at the site with 145 qualifying jobs and 20 non-qualifying jobs averaging \$38,000.00 plus annually. Employee benefits include vacation and personal days, healthcare 92% paid by the company; dependent coverage is 67% paid by the company, 401(a) and 401(K) retirement plans. Plant cost will exceed \$235 million and require 1000+ construction workers over a 20 month period. The market for oriented strand board is for single and multi-family housing across the Southwest U.S.

OSB Plant:

Compressors

Forklifts-inside

Forklifts-outside

Machine Shop M&E

Office Electronic Machines

Office F&F

OSB M&E

Pollution Control M&E

Water Systems

Other Real Property

Land and Improvements

Land

Texas OSB Project

The proposed plant will be constructed along the same design as our OSB Plant in Oakdale Louisiana. The Plant is designed to produce 800 MMSQ of OSB per year. Operations run 24 hours a day, 7 days a week, with a major maintenance day taking production for one shift down every three weeks.

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The Blender Building will be about 14,500 sq./ft., it is a multi story building housing equipment on all levels.

The Main process building is a connections of various processing centers from Forming to Shipping. The Forming and Press area is 90,630 sq. /ft.

Finishing area is 218,750 sq. /ft.

Shipping and Rail loading is 253,800 sq. /ft.

Figure 1. A schematic diagram of the experimental setup. The subject is seated in a chair and views the target through a video screen. The target is a light source that is controlled by a computer. The subject's hand is positioned over the target. The distance between the subject's hand and the target is 10 cm. The distance between the subject's hand and the video screen is 40 cm. The distance between the video screen and the target is 50 cm. The distance between the subject's hand and the video screen is 40 cm. The distance between the video screen and the target is 50 cm.

TAB 09

Description of Land

TAB 10

Description of Existing Improvements

There are no existing improvements related to the proposed project at this site.

CONFIDENTIAL

TAB 11

Maps

TAB 12

Request for Job Waiver

N/A

TAB 13

Calculation of Wage Requirements

Calculation of Wage Information - Based on Most Recent Data Available

110% of County Average Weekly Wage for all Jobs

2013	1Q	\$	673
2013	2Q	\$	632
2013	3Q	\$	636
2013	4Q	\$	732

$$\begin{array}{rcl} \$ 2,713 / 4 = & \$678 \text{ average weekly salary} & \\ & \underline{\times 1.1 (110\%)} & \\ & \$ 745.68 & \end{array}$$

110% of County Average Weekly Wage for Manufacturing Jobs in County

2013	1Q	\$	472
2013	2Q		
2013	3Q		
2013	4Q		

$$\begin{array}{rcl} \$ 472 & \$472 \text{ average weekly salary} & \\ & \underline{\times 1.1 (110\%)} & \\ & \$ 519.20 & \end{array}$$

110% of County Average Weekly Wage for Manufacturing Jobs in Region

\$33,658.00 per year in Deep East Texas

$\times 1.10 (110\%)$

\$37,057.80

2012 Manufacturing Wages by Council of Government Region
Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$23.56	\$48,996
<u>1. Panhandle Regional Planning Commission</u>	\$20.12	\$41,850
<u>2. South Plains Association of Governments</u>	\$16.18	\$33,662
<u>3. NORTEX Regional Planning Commission</u>	\$17.83	\$37,076
<u>4. North Central Texas Council of Governments</u>	\$24.68	\$51,333
<u>5. Ark-Tex Council of Governments</u>	\$16.84	\$35,032
<u>6. East Texas Council of Governments</u>	\$19.61	\$40,797
<u>7. West Central Texas Council of Governments</u>	\$18.24	\$37,541
<u>8. Rio Grande Council of Governments</u>	\$16.17	\$33,631
<u>9. Permian Basin Regional Planning Commission</u>	\$21.93	\$45,624
<u>10. Concho Valley Council of Governments</u>	\$16.33	\$33,956
<u>11. Heart of Texas Council of Governments</u>	\$19.07	\$39,670
<u>12. Capital Area Council of Governments</u>	\$26.03	\$54,146
<u>13. Brazos Valley Council of Governments</u>	\$16.55	\$34,424
<u>14. Deep East Texas Council of Governments</u>	\$16.20	\$33,698
<u>15. South East Texas Regional Planning Commission</u>	\$29.38	\$61,118
<u>16. Houston-Galveston Area Council</u>	\$26.59	\$55,317
<u>17. Golden Crescent Regional Planning Commission</u>	\$21.03	\$43,742
<u>18. Alamo Area Council of Governments</u>	\$18.40	\$38,280
<u>19. South Texas Development Council</u>	\$13.54	\$28,170
<u>20. Coastal Bend Council of Governments</u>	\$22.97	\$47,786
<u>21. Lower Rio Grande Valley Development Council</u>	\$16.33	\$33,951
<u>22. Texoma Council of Governments</u>	\$22.57	\$46,949
<u>23. Central Texas Council of Governments</u>	\$17.16	\$35,689
<u>24. Middle Rio Grande Development Council</u>	\$18.93	\$39,380

Source: Texas Occupational Employment and Wages

Data published: July 2013

Data published annually, next update will be July 31, 2014

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

2013	1st Qtr	Polk County	Private	00	0	10	Total, All Industries	\$673
2013	2nd Qtr	Polk County	Private	00	0	10	Total, All Industries	\$652
2013	3rd Qtr	Polk County	Private	00	0	10	Total, All Industries	\$656
2013	4th Qtr	Polk County	Private	00	0	10	Total, All Industries	\$732

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results:page)

								
2013	1st Qtr	Folk County Private	31	4	3211	Saw mill and Wood Preservation		\$472

TAB 14

Schedules A1 - D

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Applicant Name **Martco Limited Partnership**
 ISD Name **Corrigan-Camden ISD**

Form 50-296A

Revised 1/28/2019

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2014-2015	2014	Not eligible to become Qualified Property				
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				\$ -	\$ 4,851,000.00	\$ -	\$ -	\$ 4,851,000.00
Complete tax years of qualifying time period	QTP1	2015-2016	2015	\$ 42,563,000.00	\$ 16,149,000.00	\$ -	\$ -	\$ 58,712,000.00
	QTP2	2016-2017	2016	\$ 198,437,000.00	\$ -	\$ -	\$ -	\$ 198,437,000.00
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 241,000,000.00	\$ 21,000,000.00	\$ -	\$ -	\$ 262,000,000.00
Total Qualified Investment (sum of green cells)				Enter amounts from TOTAL row above in Schedule A2				
				\$ 262,000,000.00				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.02 (1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

SECTION 13: TOTAL INVESTMENT FOR ECONOMIC IMPACT (INCLUDING QUALIFIED PROPERTY AND OTHER INVESTMENTS)

Applicant Name:
ISD Name:

Shawco Limited Partnership
Continental-Caden ISD

Form ID: 2024
Rev: 0 Feb 2024

PROPERTY INVESTMENT AMOUNTS				
(Estimated investment in each year. Do not put cumulative totals.)				
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	
				Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property
				Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property
				Column C Other investment made during this year that will become Qualified Property (SEE NOTE)
				Column D Other investment made during this year that will become Qualified Property (SEE NOTE)
				Column E Total Investment (A+B+C+D)
Total Investment from Schedule A1*	-	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below
				\$ 262,000,000.00
Each year prior to start of value limitation period**	0	2014-2015	2014	\$ 4,051,000.00
Each year prior to start of value limitation period**	0	2015-2016	2015	\$ 16,719,000.00
Each year prior to start of value limitation period**	0	2016-2017	2016	\$ 190,437,000.00
Value limitation period***	1	2017-2018	2017	
	2	2018-2019	2018	
	3	2019-2020	2019	
	4	2020-2021	2020	
	5	2021-2022	2021	
	6	2022-2023	2022	
	7	2023-2024	2023	
	8	2024-2025	2024	
	9	2025-2026	2025	
	10	2026-2027	2026	
Total Investment made through limitation				\$ 241,000,000.00 \$ 21,000,000.00
Continue to maintain viable presence	11	2027-2028	2027	
	12	2028-2029	2028	
	13	2029-2030	2029	
	14	2030-2031	2030	
	15	2031-2032	2031	
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032	
	17	2033-2034	2033	
	18	2034-2035	2034	
	19	2035-2036	2035	
	20	2036-2037	2036	
	21	2037-2038	2037	
	22	2038-2039	2038	
	23	2039-2040	2039	
	24	2040-2041	2040	
	25	2041-2042	2041	

* All investments made through the qualifying time period are captured and totaled on Schedule A1 (blue box) and incorporated into this schedule in the first row.

** Only investment made during deferral of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were not captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by YAC 6.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question 25 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Applicant Name

Marico Limited Partnership

Form 50-208A

ISD Name

Corrigan-Camden ISD

Revised Feb 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for ISD after all reductions	Final taxable value for MSA after all reductions
Each year prior to start of Value Limitation Period	0	2014-2015	2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0	2015-2016	2015	\$ 480,000.00	\$ 1,425,500.00	\$ -	\$ -	\$ 1,905,500.00	\$ 1,905,500.00
	0	2016-2017	2016	\$ 480,000.00	\$ 21,000,000.00	\$ 6,444,443.00	\$ 27,924,443.00	\$ 27,924,443.00	\$ 27,924,443.00
Value Limitation Period	1	2017-2018	2017	\$ 480,000.00	\$ 20,160,000.00	\$ 210,640,000.00	\$ 231,480,000.00	\$ 231,480,000.00	\$ 20,000,000.00
	2	2018-2019	2018	\$ 480,000.00	\$ 19,353,600.00	\$ 202,406,400.00	\$ 222,240,000.00	\$ 222,240,000.00	\$ 20,000,000.00
	3	2019-2020	2019	\$ 480,000.00	\$ 18,547,200.00	\$ 193,972,800.00	\$ 213,000,000.00	\$ 213,000,000.00	\$ 20,000,000.00
	4	2020-2021	2020	\$ 480,000.00	\$ 17,740,800.00	\$ 185,539,200.00	\$ 203,760,000.00	\$ 203,760,000.00	\$ 20,000,000.00
	5	2021-2022	2021	\$ 480,000.00	\$ 16,934,400.00	\$ 177,105,600.00	\$ 194,520,000.00	\$ 194,520,000.00	\$ 20,000,000.00
	6	2022-2023	2022	\$ 480,000.00	\$ 16,128,000.00	\$ 168,672,000.00	\$ 185,280,000.00	\$ 185,280,000.00	\$ 20,000,000.00
	7	2023-2024	2023	\$ 480,000.00	\$ 15,321,600.00	\$ 160,238,400.00	\$ 176,040,000.00	\$ 176,040,000.00	\$ 20,000,000.00
	8	2024-2025	2024	\$ 480,000.00	\$ 14,515,200.00	\$ 151,804,800.00	\$ 166,800,000.00	\$ 166,800,000.00	\$ 20,000,000.00
	9	2025-2026	2025	\$ 480,000.00	\$ 13,708,800.00	\$ 143,371,200.00	\$ 157,560,000.00	\$ 157,560,000.00	\$ 20,000,000.00
	10	2026-2027	2026	\$ 480,000.00	\$ 12,902,400.00	\$ 134,937,600.00	\$ 148,320,000.00	\$ 148,320,000.00	\$ 20,000,000.00
Continue to maintain viable presence	11	2027-2028	2027	\$ 480,000.00	\$ 12,096,000.00	\$ 126,504,000.00	\$ 139,080,000.00	\$ 139,080,000.00	\$ 139,080,000.00
	12	2028-2029	2028	\$ 480,000.00	\$ 11,289,600.00	\$ 118,070,400.00	\$ 129,840,000.00	\$ 129,840,000.00	\$ 129,840,000.00
	13	2029-2030	2029	\$ 480,000.00	\$ 10,483,200.00	\$ 109,636,800.00	\$ 120,600,000.00	\$ 120,600,000.00	\$ 120,600,000.00
	14	2030-2031	2030	\$ 480,000.00	\$ 9,676,800.00	\$ 101,203,200.00	\$ 111,360,000.00	\$ 111,360,000.00	\$ 111,360,000.00
	15	2031-2032	2031	\$ 480,000.00	\$ 8,870,400.00	\$ 92,769,600.00	\$ 102,120,000.00	\$ 102,120,000.00	\$ 102,120,000.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032	\$ 480,000.00	\$ 8,064,000.00	\$ 84,336,000.00	\$ 92,880,000.00	\$ 92,880,000.00	\$ 92,880,000.00
	17	2033-2034	2033	\$ 480,000.00	\$ 7,257,600.00	\$ 75,902,400.00	\$ 83,640,000.00	\$ 83,640,000.00	\$ 83,640,000.00
	18	2034-2035	2034	\$ 480,000.00	\$ 6,451,200.00	\$ 67,468,800.00	\$ 74,400,000.00	\$ 74,400,000.00	\$ 74,400,000.00
	19	2035-2036	2035	\$ 480,000.00	\$ 5,644,800.00	\$ 59,035,200.00	\$ 65,160,000.00	\$ 65,160,000.00	\$ 65,160,000.00
	20	2036-2037	2036	\$ 480,000.00	\$ 5,644,800.00	\$ 59,035,200.00	\$ 65,160,000.00	\$ 65,160,000.00	\$ 65,160,000.00
	21	2037-2038	2037	\$ 480,000.00	\$ 5,644,800.00	\$ 59,035,200.00	\$ 65,160,000.00	\$ 65,160,000.00	\$ 65,160,000.00
	22	2038-2039	2038	\$ 480,000.00	\$ 5,644,800.00	\$ 59,035,200.00	\$ 65,160,000.00	\$ 65,160,000.00	\$ 65,160,000.00
	23	2039-2040	2039	\$ 480,000.00	\$ 5,644,800.00	\$ 59,035,200.00	\$ 65,160,000.00	\$ 65,160,000.00	\$ 65,160,000.00
	24	2040-2041	2040	\$ 480,000.00	\$ 5,644,800.00	\$ 59,035,200.00	\$ 65,160,000.00	\$ 65,160,000.00	\$ 65,160,000.00
	25	2041-2042	2041	\$ 480,000.00	\$ 5,644,800.00	\$ 59,035,200.00	\$ 65,160,000.00	\$ 65,160,000.00	\$ 65,160,000.00

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of annually fraction

Schedule C: Employment Information

Applicant Name
ISD Name

Marico Limited Partnership
Corrigan-Camden ISD

Form 50-296A
Revised Feb 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2014-2015	2014	0	\$ -	N/A	0	N/A
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2015-2016	2015	850 FTE	\$ 40,502.28	N/A		
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2016-2017	2016	050 FTE	\$ 40,502.28	20	145	\$ 30,000.00
Value Limitation Period <i>The qualifying time period could overlap the value limitation period</i>	1	2017-2018	2017			20	145	\$ 30,000.00
	2	2018-2019	2018			20	145	\$ 30,000.00
	3	2019-2020	2019			20	145	\$ 30,000.00
	4	2020-2021	2020			20	145	\$ 30,000.00
	5	2021-2022	2021			20	145	\$ 30,000.00
	6	2022-2023	2022			20	145	\$ 30,000.00
	7	2023-2024	2023			20	145	\$ 30,000.00
	8	2024-2025	2024			20	145	\$ 30,000.00
	9	2025-2026	2025			20	145	\$ 30,000.00
	10	2026-2027	2026			20	145	\$ 30,000.00
Years Following Value Limitation Period	11 through 20	2027-2043	2042			20	145	\$ 30,000.00

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

- C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25) ☐ Yes ☒ No
- If yes, answer the following two questions:
- C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? ☐ Yes ☒ No
- C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? ☐ Yes ☒ No

Schedule D: Other Incentives (Estimated)

Applicant Name

Marico Limited Partnership

Form 5B-288A

ISD Name

Corigan-Camden ISD

Revised 1-28-2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Polk County (Application Pending)	2017	2020	\$ 1,229,141.00	Avg 68% Per Yr	\$ 503,648.00
	City:					
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 1,229,141.00		\$ 503,648.00

Additional information on incentives for this project:

TAB 15

Economic Impact Study

TAB 16

Description of Reinvestment Zone

Pending, to be added before final approval.

TAB 17

Signature and Certification Page



Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print
here

Print Name (Authorized School District Representative)

Title

sign
here

Signature (Authorized School District Representative)

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print
here

Print Name (Authorized Company Representative (Applicant))

Title

sign
here

Signature (Authorized Company Representative (Applicant))

Date

GIVEN under my hand and seal of office this, the

17th day of July, 2014

Patti D. Busby, Notary Public
Rapides Parish, Louisiana
Notary No. 42297

(Notary Seal)

Patti D. Busby
Notary Public in and for the State of Texas

My Commission expires: with life

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

Attachment B

S U S A N
C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

PO Box 13528 • AUSTIN, TX 78711-3528



September 10, 2014

Sherry Hughes
Superintendent
Corrigan-Camden Independent School District
504 S. Home Street
Corrigan, Texas 75939

Dear Superintendent Hughes:

On July 23, 2014, the Comptroller's office received from Corrigan-Camden Independent School District (Corrigan Camden ISD) an application from Martco LP for a limitation on appraised value (App #1018).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on September 10, 2014.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the ISD and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Stephanie Jones with our office. She can be reached by email at Stephanie.jones@cpa.state.tx.us or by phone at 1-800-531-5441, ext. 3-4594, or direct in Austin at 512-463-4594.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Wood".

Robert Wood
Director
Economic Development & Analysis

cc: Sara Leon, Powell & Leon LLP
Roy Martin, RoyOMartin
Mike Fry, K E Andrews

Attachment C

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

P.O. Box 13528 • AUSTIN, TX 78711-3528



October 30, 2014

Sherry Hughes
Superintendent
Corrigan-Camden Independent School District
504 S. Home Street
Corrigan, Texas 75939

Dear Superintendent Hughes:

On September 10, 2014, the Comptroller issued written notice that Martco LP (the applicant) submitted a completed application (Application #1018) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on July 23, 2014, to the Corrigan-Camden Independent School District (the school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

- | | |
|-------------------|--|
| Sec. 313.024(a) | Applicant is subject to tax imposed by Chapter 171. |
| Sec. 313.024(b) | Applicant is proposing to use the property for an eligible project. |
| Sec. 313.024(d) | Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located. |
| Sec. 313.024(d-2) | Not applicable to Application #1018. |

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. See Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

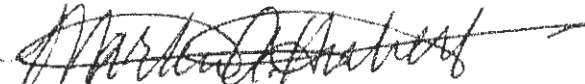
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of September 10, 2014, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Robert Wood, director of Economic Development & Analysis Division, by email at robert.wood@cpa.state.tx.us or by phone at 1-800-531-5441, ext. 3-3973, or direct in Austin at 512-463-3973.

Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Attachment A – Economic Impact Analysis

This following tables summarizes the Comptroller's economic impact analysis of Martco LP (the project) applying to Corrigan-Camden Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Martco LP.

Applicant	Martco, LP
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Corrigan-Camden ISD
2012-13 Enrollment in School District	1020
County	Polk
Proposed Total Investment in District	\$262,000,000
Proposed Qualified Investment	\$262,000,000
Limitation Amount	\$20,000,000
Number of new qualifying jobs committed to by applicant	145
Number of new non-qualifying jobs estimated by applicant	20
Average weekly wage of qualifying jobs committed to by applicant	\$730
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$725
Minimum annual wage committed to by applicant for qualified jobs	\$38,000
Minimum weekly wage required for non-qualifying jobs	
Minimum annual wage required for non-qualifying jobs	
Investment per Qualifying Job	\$1,806,896
Estimated M&O levy without any limit (15 years)	\$24,110,839
Estimated M&O levy with Limitation (15 years)	\$6,441,239
Estimated gross M&O tax benefit (15 years)	\$17,669,600
<i>* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).</i>	

Table 2 is the estimated statewide economic impact of Martco LP (modeled).

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2015	850	840	1,690	\$41,226,921	\$59,773,079	\$101,000,000	\$5,622,864	-\$2,807,617	\$8,430,481
2016	1015	980	1995	\$47,442,041	\$77,557,959	\$125,000,000	\$7,179,260	-\$2,136,230	\$9,315,490
2017	165	187	352	\$6,215,120	\$26,784,880	\$33,000,000	\$2,227,783	\$2,105,713	\$122,070
2018	165	128	293	\$6,215,120	\$20,784,880	\$27,000,000	\$2,029,419	\$2,212,524	-\$183,105
2019	165	95	260	\$6,215,120	\$17,784,880	\$24,000,000	\$1,960,754	\$2,204,895	-\$244,141
2020	165	73	238	\$6,215,120	\$14,784,880	\$21,000,000	\$1,884,460	\$2,174,377	-\$289,917
2021	165	73	238	\$6,215,120	\$13,784,880	\$20,000,000	\$1,785,278	\$2,090,454	-\$305,176
2022	165	69	234	\$6,215,120	\$12,784,880	\$19,000,000	\$1,731,873	\$1,998,901	-\$267,028
2023	165	73	238	\$6,215,120	\$12,784,880	\$19,000,000	\$1,716,614	\$1,914,978	-\$198,364
2024	165	79	244	\$6,215,120	\$13,784,880	\$20,000,000	\$1,747,131	\$1,838,684	-\$91,553
2025	165	91	256	\$6,215,120	\$13,784,880	\$20,000,000	\$1,785,278	\$1,785,278	\$0
2026	165	95	260	\$6,215,120	\$14,784,880	\$21,000,000	\$1,808,167	\$1,708,984	\$99,183
2027	165	95	260	\$6,215,120	\$14,784,880	\$21,000,000	\$1,708,984	\$1,655,579	\$53,405
2028	165	91	256	\$6,215,120	\$15,784,880	\$22,000,000	\$1,625,061	\$1,602,173	\$22,888
2029	165	91	256	\$6,215,120	\$16,784,880	\$23,000,000	\$1,632,690	\$1,556,396	\$76,294

Source: CPA, REMI, Martco LP

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives								
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Corrigan-Camden ISD I&S Tax Levy	Corrigan-Camden ISD M&O Tax Levy	Corrigan-Camden ISD M&O and I&S Tax Levies	Polk County Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.1600	1.0400		0.6461	
2015	\$1,905,500	\$1,905,500		\$3,049	\$19,817	\$22,866	\$12,311	\$35,177
2016	\$27,924,443	\$27,924,443		\$44,679	\$290,414	\$335,093	\$180,420	\$515,513
2017	\$231,480,000	\$231,480,000		\$370,368	\$2,407,392	\$2,777,760	\$1,495,592	\$4,273,352
2018	\$222,240,000	\$222,240,000		\$355,584	\$2,311,296	\$2,666,880	\$1,435,893	\$4,102,773
2019	\$213,000,000	\$213,000,000		\$340,800	\$2,215,200	\$2,556,000	\$1,376,193	\$3,932,193
2020	\$203,760,000	\$203,760,000		\$326,016	\$2,119,104	\$2,445,120	\$1,316,493	\$3,761,613
2021	\$194,520,000	\$194,520,000		\$311,232	\$2,023,008	\$2,334,240	\$1,256,794	\$3,591,034
2022	\$185,280,000	\$185,280,000		\$296,448	\$1,926,912	\$2,223,360	\$1,197,094	\$3,420,454
2023	\$176,040,000	\$176,040,000		\$281,664	\$1,830,816	\$2,112,480	\$1,137,394	\$3,249,874
2024	\$166,800,000	\$166,800,000		\$266,880	\$1,734,720	\$2,001,600	\$1,077,695	\$3,079,295
2025	\$157,560,000	\$157,560,000		\$252,096	\$1,638,624	\$1,890,720	\$1,017,995	\$2,908,715
2026	\$148,320,000	\$148,320,000		\$237,312	\$1,542,528	\$1,779,840	\$958,296	\$2,738,136
2027	\$139,080,000	\$139,080,000		\$222,528	\$1,446,432	\$1,668,960	\$898,596	\$2,567,556
2028	\$129,840,000	\$129,840,000		\$207,744	\$1,350,336	\$1,558,080	\$838,896	\$2,396,976
2029	\$120,600,000	\$120,600,000		\$192,960	\$1,254,240	\$1,447,200	\$779,197	\$2,226,397
					Total	\$27,820,199	\$14,978,859	\$42,799,058

Source: CPA, Martco LP

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Polk County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county. The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought								
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Corrigan-Camden ISD I&S Tax Levy	Corrigan-Camden ISD M&O Tax Levy	Corrigan-Camden ISD M&O and I&S Tax Levies	Polk County Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.1600	1.0400		0.6461	
2015	\$1,905,500	\$1,905,500		\$3,049	\$19,817	\$22,866	\$12,311	\$35,177
2016	\$27,924,443	\$27,924,443		\$44,679	\$290,414	\$335,093	\$180,420	\$515,513
2017	\$231,480,000	\$20,000,000		\$370,368	\$208,000	\$578,368	\$673,017	\$1,251,385
2018	\$222,240,000	\$20,000,000		\$355,584	\$208,000	\$563,584	\$646,152	\$1,209,736
2019	\$213,000,000	\$20,000,000		\$340,800	\$208,000	\$548,800	\$619,287	\$1,168,087
2020	\$203,760,000	\$20,000,000		\$326,016	\$208,000	\$534,016	\$592,422	\$1,126,438
2021	\$194,520,000	\$20,000,000		\$311,232	\$208,000	\$519,232	\$565,557	\$1,084,789
2022	\$185,280,000	\$20,000,000		\$296,448	\$208,000	\$504,448	\$538,692	\$1,043,140
2023	\$176,040,000	\$20,000,000		\$281,664	\$208,000	\$489,664	\$511,827	\$1,001,491
2024	\$166,800,000	\$20,000,000		\$266,880	\$208,000	\$474,880	\$484,963	\$959,843
2025	\$157,560,000	\$20,000,000		\$252,096	\$208,000	\$460,096	\$458,098	\$918,194
2026	\$148,320,000	\$20,000,000		\$237,312	\$208,000	\$445,312	\$431,233	\$876,545
2027	\$139,080,000	\$139,080,000		\$222,528	\$1,446,432	\$1,668,960	\$898,596	\$2,567,556
2028	\$129,840,000	\$129,840,000		\$207,744	\$1,350,336	\$1,558,080	\$838,896	\$2,396,976
2029	\$120,600,000	\$120,600,000		\$192,960	\$1,254,240	\$1,447,200	\$779,197	\$2,226,397
					Total	\$10,150,599	\$8,230,668	\$18,381,267
					Diff	\$17,669,600	\$6,748,191	\$24,417,791

Source: CPA, Martco LP

¹Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue over 25 Years

This represents the Comptroller's determination that Martco, LP (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$19,817	\$19,817	\$0	\$0
	2016	\$290,414	\$310,231	\$0	\$0
Limitation Period (10 Years)	2017	\$208,000	\$518,231	\$2,199,392	\$2,199,392
	2018	\$208,000	\$726,231	\$2,103,296	\$4,302,688
	2019	\$208,000	\$934,231	\$2,007,200	\$6,309,888
	2020	\$208,000	\$1,142,231	\$1,911,104	\$8,220,992
	2021	\$208,000	\$1,350,231	\$1,815,008	\$10,036,000
	2022	\$208,000	\$1,558,231	\$1,718,912	\$11,754,912
	2023	\$208,000	\$1,766,231	\$1,622,816	\$13,377,728
	2024	\$208,000	\$1,974,231	\$1,526,720	\$14,904,448
	2025	\$208,000	\$2,182,231	\$1,430,624	\$16,335,072
	2026	\$208,000	\$2,390,231	\$1,334,528	\$17,669,600
Maintain Viable Presence (5 Years)	2027	\$1,446,432	\$3,836,663	\$0	\$17,669,600
	2028	\$1,350,336	\$5,186,999	\$0	\$17,669,600
	2029	\$1,254,240	\$6,441,239	\$0	\$17,669,600
	2030	\$1,158,144	\$7,599,383	\$0	\$17,669,600
	2031	\$1,062,048	\$8,661,431	\$0	\$17,669,600
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$965,952	\$9,627,383	\$0	\$17,669,600
	2033	\$869,856	\$10,497,239	\$0	\$17,669,600
	2034	\$773,760	\$11,270,999	\$0	\$17,669,600
	2035	\$677,664	\$11,948,663	\$0	\$17,669,600
	2036	\$677,664	\$12,626,327	\$0	\$17,669,600
	2037	\$677,664	\$13,303,991	\$0	\$17,669,600
	2038	\$677,664	\$13,981,655	\$0	\$17,669,600
	2039	\$677,664	\$14,659,319	\$0	\$17,669,600
	2040	\$677,664	\$15,336,983	\$0	\$17,669,600
	2041	\$677,664	\$16,014,647	\$0	\$17,669,600

\$16,014,647

is less than

\$17,669,600

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Martco, LP

Employment Indirect and Induced Tax Effects

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2015	850	840	1,690	\$41,226,921	\$59,773,079	\$101,000,000	\$5,622,864	-\$2,807,617	\$8,430,481
2016	1015	980	1995	\$47,442,041	\$77,557,959	\$125,000,000	\$7,179,260	-\$2,136,230	\$9,315,490
2017	165	187	352	\$6,215,120	\$26,784,880	\$33,000,000	\$2,227,783	\$2,105,713	\$122,070
2018	165	128	293	\$6,215,120	\$20,784,880	\$27,000,000	\$2,029,419	\$2,212,524	-\$183,105
2019	165	95	260	\$6,215,120	\$17,784,880	\$24,000,000	\$1,960,754	\$2,204,895	-\$244,141
2020	165	73	238	\$6,215,120	\$14,784,880	\$21,000,000	\$1,884,460	\$2,174,377	-\$289,917
2021	165	73	238	\$6,215,120	\$13,784,880	\$20,000,000	\$1,785,278	\$2,090,454	-\$305,176
2022	165	69	234	\$6,215,120	\$12,784,880	\$19,000,000	\$1,731,873	\$1,998,901	-\$267,028
2023	165	73	238	\$6,215,120	\$12,784,880	\$19,000,000	\$1,716,614	\$1,914,978	-\$198,364
2024	165	79	244	\$6,215,120	\$13,784,880	\$20,000,000	\$1,747,131	\$1,838,684	-\$91,553
2025	165	91	256	\$6,215,120	\$13,784,880	\$20,000,000	\$1,785,278	\$1,785,278	\$0
2026	165	95	260	\$6,215,120	\$14,784,880	\$21,000,000	\$1,808,167	\$1,708,984	\$99,183
2027	165	95	260	\$6,215,120	\$14,784,880	\$21,000,000	\$1,708,984	\$1,655,579	\$53,405
2028	165	91	256	\$6,215,120	\$15,784,880	\$22,000,000	\$1,625,061	\$1,602,173	\$22,888
2029	165	91	256	\$6,215,120	\$16,784,880	\$23,000,000	\$1,632,690	\$1,556,396	\$76,294
2030	165	91	256	\$6,215,120	\$16,784,880	\$23,000,000	\$1,564,026	\$1,480,103	\$83,923
2031	165	91	256	\$6,215,120	\$17,784,880	\$24,000,000	\$1,525,879	\$1,419,067	\$106,812
2032	165	91	256	\$6,215,120	\$17,784,880	\$24,000,000	\$1,556,396	\$1,358,032	\$198,364
2033	165	91	256	\$6,215,120	\$18,784,880	\$25,000,000	\$1,510,620	\$1,243,591	\$267,029
2034	165	91	256	\$6,215,120	\$20,784,880	\$27,000,000	\$1,441,956	\$1,213,074	\$228,882
2035	165	87	252	\$6,215,120	\$20,784,880	\$27,000,000	\$1,396,179	\$1,167,297	\$228,882
2036	165	85	250	\$6,215,120	\$20,784,880	\$27,000,000	\$1,342,773	\$1,121,521	\$221,252
2037	165	81	246	\$6,215,120	\$22,784,880	\$29,000,000	\$1,335,144	\$1,098,633	\$236,511
2038	165	75	240	\$6,215,120	\$22,784,880	\$29,000,000	\$1,281,738	\$1,052,856	\$228,882
2039	165	85	250	\$6,215,120	\$24,784,880	\$31,000,000	\$1,296,997	\$968,933	\$328,064
2040	165	77	242	\$6,215,120	\$24,784,880	\$31,000,000	\$1,281,738	\$923,157	\$358,581
2041	165	83	248	\$6,215,120	\$26,784,880	\$33,000,000	\$1,296,997	\$877,380	\$419,617
TOTAL							\$53,276,059	\$33,828,733	\$19,447,326

\$35,461,973 is greater than \$17,669,600

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	Yes

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller has **determined** that the limitation on appraised value is a determining factor in the Martco LP decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- According to the company two other locations outside Texas are being considered.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

Section 8 of the Application for
a Limitation on Appraised Value



Application for Appraised Value Limitation on Qualified

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes No
2. The property will be used for one of the following activities:
- | | | |
|---|---|--|
| (1) manufacturing | <input checked="" type="checkbox"/> Yes | No |
| (2) research and development | Yes | <input checked="" type="checkbox"/> No |
| (3) a clean coal project, as defined by Section 5.001, Water Code | Yes | <input checked="" type="checkbox"/> No |
| (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code | Yes | <input checked="" type="checkbox"/> No |
| (5) renewable energy electric generation | Yes | <input checked="" type="checkbox"/> No |
| (6) electric power generation using integrated gasification combined cycle technology | Yes | <input checked="" type="checkbox"/> No |
| (7) nuclear electric power generation | Yes | <input checked="" type="checkbox"/> No |
| (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) | Yes | <input checked="" type="checkbox"/> No |
| (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 | Yes | <input checked="" type="checkbox"/> No |
3. Are you requesting that any of the land be classified as qualified investment? Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes ☒ No

1. In Tab 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.

2. Check the project characteristics that apply to the proposed project:

☒ Land has no existing improvements

Land has existing improvements (complete Section 13)

Expansion of existing operation on the land (complete Section 13)

Relocation within Texas

1. Does the applicant currently own the land on which the proposed project will occur? Yes ☒ No
2. Has the applicant entered into any agreements or contracts for work to be performed related to the proposed project? Yes ☒ No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes ☒ No
4. Has the applicant made public statements in SEC filings or other official documents regarding its intentions regarding the proposed project location? Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes ☒ No
7. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes No
8. Has the applicant considered or is the applicant considering other locations not in Texas for the proposed project? ☒ Yes No
9. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☒ Yes No
10. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☒ Yes No

If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value

TABLE OF INCENTIVES FOR PROTECTION OF INVESTMENT

<u>City</u>	<u>State or Country</u>	<u>Incentive</u>
Oakdale Enterprise Zone	Louisiana	Quality Jobs,
Shreveport Markets Tax	Louisiana	Fast Start, New Credit Financing, Industrial Tax Exemption, Sales/Use Tax Exemption

Estimated Financial Impact of the Martco Project Property Value Limitation Request Submitted to Corrigan-Camden ISD at \$1.04 M&O Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits	School District Tax Benefit Lesser of \$100 per ADA or 40%	Company Tax Benefit
Pre-Year 1	2014-15										\$0	\$0
Pre-Year 2	2015-16	\$1,905,500	\$1,905,500	\$0	\$1.040	\$19,817	\$19,817	\$0	\$0		\$0	\$0
Pre-Year 3	2016-17	\$27,924,443	\$27,924,443	\$0	\$1.040	\$290,414	\$290,414	\$0	\$0		\$0	\$0
1	2017-18	\$231,480,000	\$20,000,000	\$211,480,000	\$1.040	\$2,407,392	\$208,000	\$2,199,392	-\$2,682,964	-\$483,572	\$0	-\$483,572
2	2018-19	\$222,240,000	\$20,000,000	\$202,240,000	\$1.040	\$2,311,296	\$208,000	\$2,103,296	\$0	\$2,103,296	\$475,063	\$1,628,233
3	2019-20	\$213,000,000	\$20,000,000	\$193,000,000	\$1.040	\$2,215,200	\$208,000	\$2,007,200	\$0	\$2,007,200	\$95,013	\$1,912,187
4	2020-21	\$203,760,000	\$20,000,000	\$183,760,000	\$1.040	\$2,119,104	\$208,000	\$1,911,104	\$0	\$1,911,104	\$95,013	\$1,816,091
5	2021-22	\$194,520,000	\$20,000,000	\$174,520,000	\$1.040	\$2,023,008	\$208,000	\$1,815,008	\$0	\$1,815,008	\$95,013	\$1,719,995
6	2022-23	\$185,280,000	\$20,000,000	\$165,280,000	\$1.040	\$1,926,912	\$208,000	\$1,718,912	\$0	\$1,718,912	\$95,013	\$1,623,899
7	2023-24	\$176,040,000	\$20,000,000	\$156,040,000	\$1.040	\$1,830,816	\$208,000	\$1,622,816	\$0	\$1,622,816	\$95,013	\$1,527,803
8	2024-25	\$166,800,000	\$20,000,000	\$146,800,000	\$1.040	\$1,734,720	\$208,000	\$1,526,720	\$0	\$1,526,720	\$95,013	\$1,431,707
9	2025-26	\$157,560,000	\$20,000,000	\$137,560,000	\$1.040	\$1,638,624	\$208,000	\$1,430,624	\$0	\$1,430,624	\$95,013	\$1,335,611
10	2026-27	\$148,320,000	\$20,000,000	\$128,320,000	\$1.040	\$1,542,528	\$208,000	\$1,334,528	\$0	\$1,334,528	\$95,013	\$1,239,515
11	2027-28	\$139,080,000	\$139,080,000	\$0	\$1.040	\$1,446,432	\$1,446,432	\$0	\$0	\$0	\$95,013	-\$95,013
12	2028-29	\$129,840,000	\$129,840,000	\$0	\$1.040	\$1,350,336	\$1,350,336	\$0	\$0	\$0	\$95,013	-\$95,013
13	2029-30	\$120,600,000	\$120,600,000	\$0	\$1.040	\$1,254,240	\$1,254,240	\$0	\$0	\$0	\$0	\$0
14	2030-31	\$111,360,000	\$111,360,000	\$0	\$1.040	\$1,158,144	\$1,158,144	\$0	\$0	\$0	\$0	\$0
15	2031-32	\$102,120,000	\$102,120,000	\$0	\$1.040	\$1,062,048	\$1,062,048	\$0	\$0	\$0	\$0	\$0
						\$26,020,800	\$8,351,200	\$17,669,600	-\$2,682,964	\$14,986,636	\$1,425,189	\$13,561,447

*Note: School District Revenue-Loss estimates are subject to change based on various factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year project appraisal values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

Attachment D

SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED
MARTCO LIMITED PARTNERSHIP, ROY O. MARTIN LMB
MGT, LLC PROJECT (APP # 1018) ON THE FINANCES OF
CORRIGAN-CAMDEN ISD UNDER A REQUESTED CHAPTER
313 APPRAISED VALUE LIMITATION

PREPARED BY
JIGSAW SCHOOL FINANCE SOLUTIONS, LLC
JUNE 30, 2014

Introduction

Martco Limited Partnership, Roy O. Martin Lmb Mgt, LLC has submitted an application to the Corrigan-Camden ISD Board of Trustees for a property value limitation on a proposed project under Chapter 313 of the Tax Code. The Corrigan-Camden ISD Board of Trustees accepted the application on June 16, 2014. The application was determined to be complete on June 20, 2014. The application is for a manufacturing project as authorized by Sec. 313.024 (b) of the Tax Code with a proposed \$262 million qualifying investment.

This project is consistent with the state's goal for economic development, the expanded intent of House Bill 1200 as originally passed by the Texas Legislature in 2001 and amended thereafter, and with Chapter 313 of the Texas Tax Code.

Martco Limited Partnership is proposing to invest in Corrigan-Camden ISD for their manufacturing project. Under the provisions of Chapter 313, C-CISD may offer a minimum value limitation of \$20 million. Under Sec. 313.027, the application must provide that the limitation under Subsection (a) applies for a period of 10 years; and (2) specify the beginning date of the limitation, which must be January 1 of the first tax year that begins after: (A) the application date; (B) the qualifying time period; or (C) the date commercial operations begin at the site of the project. Martco Limited Partnership proposed December 31, 2016 as the commencement of commercial operations with a January 1, 2017 beginning date of the limitation. For the purposed of this review, the years 2014-15, 2015-16 and 2016-17 (pre-years 1 – 3) would be the "qualifying period" and the limitation would extend from 2017-18 through 2026-27 (years 1-10). Beginning with the 2017-18 school year, the project would go on the local tax roll at \$20 million and remain at that level of taxable value for ten years for maintenance and operations (M&O) taxes.

School Finance Background

In accordance with the application, this project will be fully taxable for both maintenance and operations (M&O) and debt service (I&S) purposes in the first three years (school years 2017-18 through 2019-20) which represent the project's qualifying time period. Corrigan-Camden ISD intends to offer a value limitation for this project of \$20 million effective school year 2020-21 through 2029-30. As a result, the project will impact the local tax roll of the school district at that same amount for M&O taxes only. Taxes for debt service, voter approved projects financed by the sale of bonds, will continue at the full taxable value. I&S taxes for any future projects approved by the voters of the district will also be assessed against the full taxable value. Depreciation will reduce the taxable value of the project over time at an estimated annual rate of about 4-8% in accordance with schedule B of the application.

While taxes are collected by the district on the current year county appraisal district (CAD) value, the state funding formulas use the comptroller's property tax division (CPTD) value for the purpose of calculating the district's required local shares within the funding tiers of that

formula. The CPTD is a reflection of last year's CAD value; therefore, it lags behind the CAD value in all years. As a result, state and local revenues are generated by two different values in any given year.

With the passage of House Bill 1 in the 2006 special legislative session, the school finance system in Texas moved from one that was formula driven with a maximum M&O tax rate of \$1.50 to one that was, and continues to be, target revenue driven at a maximum tax rate of generally \$1.04, voter approval for a higher tax rate up to \$1.17 notwithstanding. This means that most districts now receive additional state aid for tax reduction (ASATR) to offset the loss in state and local funds at the new maximum \$1.04 M&O tax cap vs. what was previously generated at the \$1.50 maximum M&O tax cap. The stated goal is for ASATR revenue to be completely eliminated by school year 2017-18.

With the passage of Senate Bill 1 in the 2011 special legislative session, funding reductions to the school finance system in Texas amounted to \$4 billion for the biennium or \$2 billion each year of the biennium. To accomplish these reductions, schools' regular program allotments are reduced by 7.61 percent in school year 2011-12 while those same calculated allotments are reduced by 2 percent in school year 2012-13 in addition to the ASATR funding also being reduced by 7.65%. As of the 2013 legislative session, approximately \$3.4 billion of those cuts were restored. Currently filed legal challenges and future legislative sessions will determine the course of school finance after school year 2014-15 and beyond.

Underlying Assumptions

The drivers of the funding mechanisms for Texas school districts are the current year property values, known as the County Appraisal District (CAD values), the prior year property values [after review by the Texas State Comptroller become the "comptroller's property tax division" (CPTD) values (used for next year funding)] and Average Daily Attendance (ADA of current funding year).

In calculating district's state and local tax revenue for any year the current year CAD values, current year ADA and prior year CPTD is used. For the purposes of these calculations, the starting point is to determine the projected CAD value for the 2014-15 school year. The District's 2014 local CAD preliminary value is \$280,000. The following chart (Table B) illustrates the historical value growth/decline for recent years. Final Certified Values will not be received by Corrigan-Camden ISD until July 25, 2014.

Table B

Tax Year	CAD Value
2007	\$457,633,238
2008	\$551,245,364
2009	\$561,254,397
2010	\$529,808,800
2011	\$501,447,555

2012	\$509,228,094
2013	\$516,397,894

The CAD values for Corrigan-Camden ISD have shown an inconsistent growth rate over the last 6 years.

Average Daily Attendance in Corrigan-Camden ISD has been inconsistent since 2006-07. See Table C.

Table C

School Year	ADA Value
2006-07	989.34
2007-08	989.22
2008-09	961.38
2009-10	947.16
2010-11	922.93
2011-12	929.92
2012-13	942.92
2013-14	945.04
2014-15	950.13

An ADA of 950.13 has been used as the basis of these calculations. The enrollment projections provided by Corrigan-Camden ISD's pupil projections are used as a basis for these estimates. Martco commits to 145+ qualifying new jobs, but it is uncertain whether this will have an impact on enrollment.

For the Chapter 313 projects, 15 years of data must be calculated. In order to provide calculations extended 15 years into the future and to isolate the impact of the proposed project by Martco Limited Partnership, certain constants and assumptions are used.

1. The estimates presented below are based upon the school funding system and formulas as defined by Senate Bill 1 and supplemented by House Bill 1025 passed in 2013. This school funding system and formulas were used for the duration of the project.
2. The ADA funding driver used is 950.13 as explained in Table 3 and this number was used for the duration of the agreement.
3. The general approach used here is to maintain relatively static base property values. The District's local 2014 CAD value estimate of \$280,000,000 is maintained for the forecast period. Finally, the proposed taxable values from the Martco Limited Partnership, project are added to the base model used here. In order to remain constant throughout the fifteen-year period a collection rate of 99% is used in the calculations.
4. Corrigan-Camden ISD's M&O tax rate is \$1.04, a rate that has been in place since the 2008-09 school year. This tax rate is held constant for the duration of the agreement to determine M&O taxes and state revenues.

The enrollment and property value assumptions are summarized in Table 1.

Table 1 – Data Assumptions for Corrigan-Camden ISD and Martco Limited Partnership.

– This table illustrates by year the tax rates, CAD Values with the Limitation in place, CAD Values for full taxable value for I&S purposes and the respective move to the next year of those value to the CPTD value. This respective data is then used as the basis for calculations in Tables 2 - 4.

Tables 2 - 4 – M&O Revenue Without the Limitation and With the Limitation – The first set of calculations (Table 2) uses the data to calculate the baseline revenue by adding the value of the proposed facility to the model, but without assuming that the value limitation is approved. The second set of the calculations (Table 3) show the M&O taxes and state revenue with the limitation in place. The ending result after the basic calculations are performed is to illustrate the difference between the two sets of calculations since this will be the basis for the Revenue Protection under the agreement.

Financial Impact on the District

A summary of the differences in Table 2 and Table 3 are summarized in Table 4. A loss in total state and local M&O revenue to the district is noted in year one resulting from the agreement due to the inverted value lag between the CPTD and CAD values during the first year of the value limitation. Gains are noted in years 2-11. The larger gain noted in year 11 is due primarily to another value lag between the CPTD and CAD values, the inverse of that observed in year 1. Assuming the aforementioned elimination of ASATR funding at the end of school year 2016-17, ASATR is not a factor for C-CISD as the district's revenue is completely formula driven in all years of the agreement.

Impact on Taxpayer

The property listed within is fully taxable for the first 2 years on the agreement. In year 3, the tax value limitation applies, but only to the M&O portion of the M&O taxes collected at the assumed rate of \$1.04 per \$100 of taxable value.

Under these provisions, Martco Limited Partnership has the potential savings in M&O taxes of \$17,669,600 in gross tax savings. (This does not include school revenue loss). Martco Limited Partnership is not eligible for a tax credit(s) on taxes paid on value in excess of the value limitation in the years prior to the value limitation becoming effective. House Bill (HB) 3390 as passed by the 83rd Texas Legislature repealed the provision for tax credits. Correspondingly the provision for the school district to make such payments to Martco Limited Partnership and the reimbursement by the state for such tax credit payments has been eliminated. Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only.

Facilities Funding

The interest and sinking fund (I&S) is used to tax the property value of the district to retire voter approved bonded indebtedness. The Martco project remains fully taxable for debt services taxes, with C-CISD currently levying a \$0.16 per \$100 I&S rate. Corrigan-Camden ISD issued Unlimited Tax Refunding Bonds, Series 2012 in the amount of \$2,670,000 to refund Series 2003 and 2004 bonds and should be retired in 2023. While the value of the Martco project is expected to depreciate over the life of the agreement and beyond, full access to the additional value is expected to provide C-CISD with a boost in I&S tax revenue as a result of the project.

The Martco project is not expected to affect C-CISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but it is not certain that this project will have an impact on a stand-alone basis.

Conclusion

While some uncertainty exists concerning school finance legislation over the future of this project, the following points appear to currently apply to the Martco Limited Partnership project and the C-CISD. The proposed project enhances the tax base of C-CISD and it reflects continued capital investment and job creation in keeping with the goals of Chapter 313 of the Tax Code. Under the assumptions outlined above, the potential tax savings for Martco Limited Partnership under a Chapter 313 agreement could reach an estimated \$17.7 million. This amount is net of any anticipated revenue losses, and prior to any supplemental payments to C-CISD as permitted by law. The additional taxable value also enhances the tax base of C-CISD in meeting possible future debt service obligations without creating an overall financial loss for the district with regard to M&O earnings over the term of the project provided Martco Limited Partnership contractually agrees to offset the loss that is indicated in the Table 5.

***Note:** School District Revenue-Loss estimates are subject to change based on various factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year project appraisal values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year.

Table 1 - Base District Information with Martco Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2014-15	950.13	1,539.62	\$1.0400	\$0.1600	\$260,000,000	\$260,000,000	\$276,416.866	\$276,416.866	\$179,536	\$179,536
	2015-16	950.13	1,539.62	\$1.0400	\$0.0600	\$281,905,500	\$281,905,500	\$276,416.866	\$276,416.866	\$179,536	\$179,536
Pre-Year 1	2016-17	950.13	1,539.62	\$1.0400	\$0.0600	\$307,924,443	\$307,924,443	\$278,322.366	\$278,322.366	\$180,773	\$180,773
1	2017-18	950.13	1,539.62	\$1.0400	\$0.0600	\$511,480,000	\$300,000,000	\$304,341.309	\$304,341.309	\$197,673	\$197,673
2	2018-19	950.13	1,539.62	\$1.0400	\$0.0600	\$502,240,000	\$300,000,000	\$507,898.866	\$296,416.866	\$329,884	\$192,526
3	2019-20	950.13	1,539.62	\$1.0400	\$0.0600	\$493,000,000	\$300,000,000	\$498,858.866	\$296,416.866	\$323,883	\$192,526
4	2020-21	950.13	1,539.62	\$1.0400	\$0.0600	\$483,760,000	\$300,000,000	\$489,416.866	\$296,416.866	\$317,881	\$192,526
5	2021-22	950.13	1,539.62	\$1.0400	\$0.0600	\$474,520,000	\$300,000,000	\$480,176.866	\$296,416.866	\$311,280	\$192,526
6	2022-23	950.13	1,539.62	\$1.0400	\$0.0600	\$465,280,000	\$300,000,000	\$470,936.866	\$296,416.866	\$305,878	\$192,526
7	2023-24	950.13	1,539.62	\$1.0400	\$0.0000	\$456,040,000	\$300,000,000	\$461,696.866	\$296,416.866	\$299,877	\$192,526
8	2024-25	950.13	1,539.62	\$1.0400	\$0.0000	\$446,800,000	\$300,000,000	\$452,456.866	\$296,416.866	\$293,875	\$192,526
9	2025-26	950.13	1,539.62	\$1.0400	\$0.0000	\$437,560,000	\$300,000,000	\$443,216.866	\$296,416.866	\$287,874	\$192,526
10	2026-27	950.13	1,539.62	\$1.0400	\$0.0000	\$428,320,000	\$300,000,000	\$433,976.866	\$296,416.866	\$281,873	\$192,526
11	2027-28	950.13	1,539.62	\$1.0400	\$0.0000	\$419,080,000	\$419,080,000	\$424,736.866	\$296,416.866	\$275,871	\$192,526
12	2028-29	950.13	1,539.62	\$1.0400	\$0.0000	\$409,840,000	\$409,840,000	\$415,496.866	\$415,496.866	\$269,870	\$269,870
13	2029-30	950.13	1,539.62	\$1.0400	\$0.0000	\$400,600,000	\$400,600,000	\$406,256.866	\$406,256.866	\$263,868	\$263,868
14	2030-31	950.13	1,539.62	\$1.0400	\$0.0000	\$391,360,000	\$391,360,000	\$397,016.866	\$397,016.866	\$257,867	\$257,867
15	2031-32	950.13	1,539.62	\$1.0400	\$0.0000	\$382,120,000	\$382,120,000	\$387,776.866	\$387,776.866	\$251,865	\$251,865
2014-15 Tier II Yield: \$47.65; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA 2015-16 Tier II Yield: \$47.65; AISD Yield: \$62.11; Equalized Wealth: \$504,000 per WADA 2016-17 Tier II Yield: \$47.65; AISD Yield: \$63.66; Equalized Wealth: \$504,000 per WADA 2017-18 Tier II Yield: \$47.65; AISD Yield: \$65.24; Equalized Wealth: \$504,000 per WADA											

**Jigsaw**

School Finance Solutions, LLC

Table 2 - "Baseline Revenue Model" - Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2014-15	\$2,725,708	\$5,454,562	\$0	\$0	\$157,172	\$384,374	\$0	\$8,721,816
Pre-Year 1	2015-16	\$2,744,257	\$5,481,352	\$0	\$0	\$158,242	\$386,990	\$0	\$8,770,841
Pre-Year 1	2016-17	\$2,997,543	\$5,403,993	\$0	\$0	\$172,847	\$418,630	\$0	\$8,993,013
1	2017-18	\$4,979,089	\$5,431,155	\$0	\$0	\$287,109	\$611,374	\$0	\$11,308,727
2	2018-19	\$4,889,141	\$3,040,784	\$0	\$0	\$281,922	\$246,739	\$0	\$8,458,586
3	2019-20	\$4,799,192	\$3,160,892	\$0	\$0	\$276,736	\$251,816	\$0	\$8,488,636
4	2020-21	\$4,709,244	\$3,166,559	\$0	\$0	\$271,549	\$256,888	\$0	\$8,404,240
5	2021-22	\$4,619,296	\$3,352,746	\$0	\$0	\$268,362	\$261,956	\$0	\$8,500,359
6	2022-23	\$4,529,347	\$3,424,492	\$0	\$0	\$261,176	\$267,019	\$0	\$8,482,033
7	2023-24	\$4,439,399	\$3,544,580	\$0	\$0	\$255,989	\$272,077	\$0	\$8,512,045
8	2024-25	\$4,349,451	\$3,550,228	\$0	\$0	\$250,802	\$277,130	\$0	\$8,427,611
9	2025-26	\$4,259,502	\$3,736,394	\$0	\$0	\$245,616	\$282,177	\$0	\$8,523,689
10	2026-27	\$4,169,554	\$3,808,119	\$0	\$0	\$240,429	\$287,219	\$0	\$8,505,321
11	2027-28	\$4,079,606	\$3,928,185	\$0	\$0	\$235,242	\$292,254	\$0	\$8,535,287
12	2028-29	\$3,989,657	\$3,933,808	\$0	\$0	\$230,056	\$297,282	\$0	\$8,450,803
13	2029-30	\$3,899,709	\$4,119,948	\$0	\$0	\$224,869	\$302,303	\$0	\$8,546,828
14	2030-31	\$3,809,760	\$4,191,645	\$0	\$0	\$219,682	\$307,317	\$0	\$8,528,405
15	2031-32	\$3,719,812	\$4,311,681	\$0	\$0	\$214,495	\$312,322	\$0	\$8,558,310

Table 3 - "Value Limitation Revenue Model" - Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2014-15	\$2,725,708	\$5,454,562	\$0	\$0	\$157,172	\$384,374	\$0	\$8,721,816
Pre-Year 1	2015-16	\$2,744,257	\$5,481,352	\$0	\$0	\$158,242	\$386,990	\$0	\$8,770,841
Pre-Year 1	2016-17	\$2,997,543	\$5,403,993	\$0	\$0	\$172,847	\$418,630	\$0	\$8,993,013
1	2017-18	\$2,920,401	\$5,178,372	\$0	\$0	\$168,399	\$358,591	\$0	\$8,625,763
2	2018-19	\$2,920,401	\$5,600,596	\$0	\$0	\$168,399	\$354,388	\$0	\$9,043,784
3	2019-20	\$2,920,401	\$5,536,451	\$0	\$0	\$168,399	\$266,035	\$0	\$8,891,287
4	2020-21	\$2,920,401	\$5,536,417	\$0	\$0	\$168,399	\$356,297	\$0	\$8,981,514
5	2021-22	\$2,920,401	\$5,536,417	\$0	\$0	\$168,399	\$266,035	\$0	\$8,891,252
6	2022-23	\$2,920,401	\$5,246,208	\$0	\$0	\$168,399	\$372,680	\$0	\$8,707,688
7	2023-24	\$2,920,401	\$5,270,382	\$0	\$0	\$168,399	\$372,680	\$0	\$8,731,862
8	2024-25	\$2,920,401	\$5,180,120	\$0	\$0	\$168,399	\$372,680	\$0	\$8,641,600
9	2025-26	\$2,920,401	\$5,270,382	\$0	\$0	\$168,399	\$372,680	\$0	\$8,731,862
10	2026-27	\$2,920,401	\$5,246,208	\$0	\$0	\$168,399	\$372,680	\$0	\$8,707,688
11	2027-28	\$4,079,606	\$5,418,311	\$0	\$0	\$235,242	\$520,609	\$0	\$10,253,767
12	2028-29	\$3,989,657	\$3,933,808	\$0	\$0	\$230,056	\$297,282	\$0	\$8,450,803
13	2029-30	\$3,899,709	\$4,119,948	\$0	\$0	\$224,869	\$302,303	\$0	\$8,546,828
14	2030-31	\$3,809,760	\$4,191,645	\$0	\$0	\$219,682	\$307,317	\$0	\$8,528,405
15	2031-32	\$3,719,812	\$4,311,681	\$0	\$0	\$214,495	\$312,322	\$0	\$8,558,310

Table 4 - "Baseline Revenue Model" Less "Value Limitation Model"

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2014-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pre-Year 1	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pre-Year 1	2016-17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2017-18	-\$2,058,688	-\$252,783	\$0	\$0	-\$118,710	-\$252,783	\$0	-\$2,682,964
2	2018-19	-\$1,968,740	\$2,559,812	\$0	\$0	-\$113,523	\$107,649	\$0	\$585,198
3	2019-20	-\$1,878,791	\$2,375,560	\$0	\$0	-\$108,337	\$14,219	\$0	\$402,651
4	2020-21	-\$1,788,843	\$2,369,858	\$0	\$0	-\$103,150	\$99,409	\$0	\$577,275
5	2021-22	-\$1,698,895	\$2,183,671	\$0	\$0	-\$97,963	\$4,079	\$0	\$390,893
6	2022-23	-\$1,608,946	\$1,821,716	\$0	\$0	-\$92,777	\$105,661	\$0	\$225,654
7	2023-24	-\$1,518,998	\$1,725,801	\$0	\$0	-\$87,590	\$100,603	\$0	\$219,616
8	2024-25	-\$1,429,050	\$1,629,891	\$0	\$0	-\$82,403	\$95,550	\$0	\$213,989
9	2025-26	-\$1,339,101	\$1,533,987	\$0	\$0	-\$77,217	\$90,503	\$0	\$208,173
10	2026-27	-\$1,249,153	\$1,438,088	\$0	\$0	-\$72,030	\$85,461	\$0	\$202,367
11	2027-28	\$0	\$1,490,126	\$0	\$0	\$0	\$228,355	\$0	\$1,718,481
12	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2029-30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2030-31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

TABLE 5. Estimated Financial Impact of the Martco Project Property Value Limitation Request Submitted to Corrigan-Camden ISD at \$1.04 M&O Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
Pre-Year 1	2014-15										
Pre-Year 2	2015-16	\$1,905,500	\$1,905,500	\$0	\$1.040	\$19,817	\$19,817	\$0	\$0	\$0	
Pre-Year 3	2016-17	\$27,924,443	\$27,924,443	\$0	\$1.040	\$290,414	\$290,414	\$0	\$0	\$0	
1	2017-18	\$231,480,000	\$20,000,000	\$211,480,000	\$1.040	\$2,407,392	\$208,000	\$2,199,392	\$2,199,392	-\$2,682,964	-\$483,572
2	2018-19	\$222,240,000	\$20,000,000	\$202,240,000	\$1.040	\$2,311,296	\$208,000	\$2,103,296	\$2,103,296	\$0	\$2,103,296
3	2019-20	\$213,000,000	\$20,000,000	\$193,000,000	\$1.040	\$2,215,200	\$208,000	\$2,007,200	\$2,007,200	\$0	\$2,007,200
4	2020-21	\$203,760,000	\$20,000,000	\$183,760,000	\$1.040	\$2,119,104	\$208,000	\$1,911,104	\$1,911,104	\$0	\$1,911,104
5	2021-22	\$194,520,000	\$20,000,000	\$174,520,000	\$1.040	\$2,023,008	\$208,000	\$1,815,008	\$1,815,008	\$0	\$1,815,008
6	2022-23	\$185,280,000	\$20,000,000	\$165,280,000	\$1.040	\$1,926,912	\$208,000	\$1,718,912	\$1,718,912	\$0	\$1,718,912
7	2023-24	\$176,040,000	\$20,000,000	\$156,040,000	\$1.040	\$1,830,816	\$208,000	\$1,622,816	\$1,622,816	\$0	\$1,622,816
8	2024-25	\$166,800,000	\$20,000,000	\$146,800,000	\$1.040	\$1,734,720	\$208,000	\$1,526,720	\$1,526,720	\$0	\$1,526,720
9	2025-26	\$157,560,000	\$20,000,000	\$137,560,000	\$1.040	\$1,638,624	\$208,000	\$1,430,624	\$1,430,624	\$0	\$1,430,624
10	2026-27	\$148,320,000	\$20,000,000	\$128,320,000	\$1.040	\$1,542,528	\$208,000	\$1,334,528	\$1,334,528	\$0	\$1,334,528
11	2027-28	\$139,080,000	\$139,080,000	\$0	\$1.040	\$1,446,432	\$1,446,432	\$0	\$0	\$0	\$0
12	2028-29	\$129,840,000	\$129,840,000	\$0	\$1.040	\$1,350,336	\$1,350,336	\$0	\$0	\$0	\$0
13	2029-30	\$120,600,000	\$120,600,000	\$0	\$1.040	\$1,254,240	\$1,254,240	\$0	\$0	\$0	\$0
14	2030-31	\$111,360,000	\$111,360,000	\$0	\$1.040	\$1,158,144	\$1,158,144	\$0	\$0	\$0	\$0
15	2031-32	\$102,120,000	\$102,120,000	\$0	\$1.040	\$1,062,048	\$1,062,048	\$0	\$0	\$0	\$0
						\$26,020,800	\$8,351,200	\$17,669,600	\$17,669,600	-\$2,682,964	\$14,986,636

Attachment E



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2013 ISD Summary Worksheet

187/Polk

187-904/Corrigan-Camden ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	82,514,448	.9961	82,837,514	82,514,448
B. Multi-Family Residences	1,347,025	N/A	1,347,025	1,347,025
C1. Vacant Lots	6,028,972	N/A	6,028,972	6,028,972
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	26,232,937	1.1100	23,634,208	26,232,937
D2. Real Prop Farm & Ranch	4,059,626	N/A	4,059,626	4,059,626
E. Real Prop NonQual Acres	29,469,804	.9447	31,194,881	29,469,804
F1. Commercial Real	10,541,571	N/A	10,541,571	10,541,571
F2. Industrial Real	34,468,960	N/A	34,468,960	34,468,960
G. Oil, Gas, Minerals	10,984,464	N/A	10,984,464	10,984,464
J. Utilities	48,625,841	1.0682	45,521,289	48,625,841
L1. Commercial Personal	5,993,653	N/A	5,993,653	5,993,653
L2. Industrial Personal	59,011,235	N/A	59,011,235	59,011,235
M. Other Personal	6,830,210	N/A	6,830,210	6,830,210

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	701,928	N/A	701,928	701,928
Subtotal	326,810,674		323,155,536	326,810,674
Less Total Deductions	50,393,808		50,531,400	50,393,808
Total Taxable Value	276,416,866		272,624,136	276,416,866 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
286,364,387	276,416,866	279,579,948	269,632,427	276,416,866	269,632,427

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
9,947,521	6,784,439

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
286,364,387	276,416,866	279,579,948	269,632,427	276,416,866	269,632,427

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

Attachment F

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES**

by and between

CORRIGAN-CAMDEN INDEPENDENT SCHOOL DISTRICT

and

MARTCO LIMITED PARTNERSHIP, ROY O. MARTIN LMB MGT, LLC

(Tax ID 72-0920365)

Dated

December 9, 2014

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES**

STATE OF TEXAS

§

COUNTY OF POLK

§

§

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **CORRIGAN-CAMDEN INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as "District," a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **MARTCO LIMITED PARTNERSHIP, ROY O. MARTIN LMB MGT, LLC**, Taxpayer Identification Number 72-0920365, hereinafter referred to as "Applicant." Applicant and District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on July 17, 2014, the Superintendent of Schools of the Corrigan-Camden Independent School District, acting as agent for the Board of Trustees of District, received from Applicant an Application for Appraised Value Limitation on Qualified Property pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the application;

WHEREAS, the Application was delivered to the Texas Comptroller's Office for review pursuant to Section 313.025(a-1) of the TEXAS TAX CODE; and,

WHEREAS, the District and Texas Comptroller's Office have determined that the application is complete and September 10, 2014 is the Application Review Start Date as that term is defined by 34 TEX. ADMIN. CODE 9.1051;

WHEREAS, pursuant to 34 TEX. ADMIN. CODE §9.1054, the Application was delivered for review to the Polk County Appraisal District established in Polk County, Texas (the "Polk County Appraisal District"), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on October 30, 2014, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's

Office pursuant to Section 313.026 of the TEXAS TAX CODE;

WHEREAS, on December 9, 2014, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on December 9, 2014, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) Applicant is eligible for the Limitation on Appraised Value of Applicant's Qualified Property; (iii) the project proposed by Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset District's maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in Applicant's decision to invest capital and construct the project in this state; and (v) this Agreement is in the best interest of District and the State of Texas; and

WHEREAS, on _____, 2014, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes; and

WHEREAS, on December 9, 2014 the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 DEFINITIONS. Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 Texas Administrative Code Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 Texas Administrative Code Section 9.1051.

"Act" means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, as amended.

"Agreement" means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Section 10.2.

"Applicable School Finance Law" means Chapters 41 and 42 of the Texas Education Code, the Texas Economic Development Act, Chapter 403, Subchapter M, of the Texas Government Code applicable to District, and the Constitution and general laws of the State applicable to the school

districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant's ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement.

"Applicant" means MARTCO LIMITED PARTNERSHIP, ROY O. MARTIN LMB MGT, LLC, Taxpayer Identification Number 72-0920365, the company listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term "Applicant" shall also include Applicant's assigns and successors-in-interest as approved according to Section 10.2 of this Agreement.

"Applicant's Qualified Investment" means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in Section 3.3 of this Agreement.

"Application" means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with District by Applicant on July 17, 2014. The term includes all forms required by Comptroller, the schedules attached thereto, and all other documentation submitted by Applicant for the purpose of obtaining an Agreement with District. The term also includes all amendments and supplements thereto submitted by Applicant.

"Application Approval Date" means the date that the Application is approved by the Board of Trustees of District and as further identified in Section 2.3.B of this Agreement.

"Application Review Start Date" means the later date of either the date on which District issues its written notice that Applicant has submitted a completed application or the date on which Comptroller issues its written notice that Applicant has submitted a completed application and as further identified in Section 2.3.A of this Agreement.

"Appraised Value" shall have the meaning assigned to such term in Section 1.04(8) of the Texas Tax Code.

"Appraisal District" means the Polk County Appraisal District.

"Board of Trustees" means the Board of Trustees of the Corrigan-Camden Independent School District.

"Comptroller" means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of Comptroller.

"Comptroller's Rules" means the applicable rules and regulations of Comptroller set forth in Chapter 34 Texas Administrative Code, Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

"County" means Polk County, Texas.

"District" or "School District" means the Corrigan-Camden Independent School District, being a duly authorized and operating school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on Applicant's Qualified Property or the Applicant's Qualified Investment.

"Final Termination Date" means the last date of the final year in which Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

"Force Majeure" means those causes generally recognized under Texas law as constituting impossible conditions. Each party must inform the other in writing with proof of receipt within three business days of the existence of such force majeure or otherwise waive this right as a defense.

"Land" means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

"Maintain Viable Presence" means (i) the development, construction and operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; (ii) the retention during the term of this Agreement of the number of New Qualifying Jobs set forth in its Application by Applicant; (iii) and continue the average weekly wage paid by Applicant for all Non-Qualifying Jobs created by Applicant that exceeds the county average weekly wage for all jobs in the county where the administrative office of District is maintained.

"M&O Amount" shall have the meaning assigned to such term in Section 3.2 of the Agreement.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII §3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE.

"Market Value" shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

"New Qualifying Jobs" means the total number of jobs to be created and maintained by Applicant after the Application Approval Date in connection with the project which is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(4) of the TEXAS TAX CODE.

"Qualified Investment" has the meaning set forth in Chapter 313 of the TEXAS TAX CODE, as interpreted by Comptroller's Rules, as these provisions existed on the Application Review Start Date.

"Non-Qualifying Jobs" means the number of New Non-Qualifying Jobs, as defined in 34 TAC §9.0151, to be created and maintained by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

"Qualified Property" has the meaning set forth in Chapter 313 of the Texas Tax Code and as interpreted by Comptroller's Rules and the Texas Attorney General, as these provisions existed on the date of the Application is approved by District,

"Qualifying Time Period" means the period that begins on the date of approval of this Agreement by District's Board of Trustees and ends on December 31st of the second Tax Year that begins after such date of approval as is defined in Section 313.021(4)(A) of the Texas Tax Code and during which Applicant shall make investment on the land where the qualified property in the amount required by the Act, the Comptroller's rules, and this Agreement and as further identified in Section 2.3.C of this Agreement.

"Revenue Protection Amount" means the amount calculated pursuant to Section 3.2 of this Agreement.

"State" means the State of Texas.

"Substantive Document" means a document or other information or data in electronic media determined by the Comptroller to substantially involve or include information or data significant to an application, the evaluation or consideration of an application, or the agreement or implementation of an agreement for limitation of appraised value pursuant to Chapter 313 of the Texas Tax Code. The term includes, but is not limited to, any application requesting a limitation on appraised value and any amendments or supplements, any economic impact evaluation made in connection with an application, any agreement between applicant and the school district and any subsequent amendments or assignments, and any school district written finding or report filed with the comptroller as required under this subchapter.

"Supplemental Payment" has the meaning as set forth in Article VI of this Agreement.

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on Applicant's Qualified Property for each tax year of the Tax Limitation Period of this Agreement pursuant to Section 313.054 of the TEXAS TAX CODE.

"Tax Limitation Period" means the Tax Years for which the Applicant's Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

"Tax Year" shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year).

"Taxable Value" shall have the meaning assigned to such term in Section 1.04(10) of the TEXAS TAX CODE.

"Texas Education Agency Rules" means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313 of the TEXAS TAX CODE, which are set forth at 19 TEX. ADMIN. CODE, Part 2, together with any court or administrative decisions interpreting same.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by District as its written agreement with Applicant pursuant to the provisions and authority granted to District in Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution of and subsequent performance of the terms and obligations by Applicant pursuant to this Agreement, identified in Section 2.5 and 2.6 and as more fully specified in this Agreement, the value of Applicant's Qualified Property listed and assessed by the County Appraiser for District's operation and maintenance ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is September 10, 2014, which will determine Applicant's Qualified Property and applicable wage standard.

B. The Application Approval Date for this Agreement is December 9, 2014, which will determine the qualifying time period.

C. The Qualifying Time Period for this agreement:

1. Starts on December 9, 2014, the Application Approval Date; and
2. Ends on December 31, 2016 being the second complete tax year after the effective date of this agreement

D. The Tax Limitation Period for this Agreement:

1. Starts on January 1, 2017.
2. Ends on December 31, 2026.

E. The Final Termination Date for this Agreement is December 31, 2031.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and

become effective on the Application Approval Date identified in Subsection B. This Agreement, and the obligation and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Subsection E, unless extended by the express terms of this Agreement.

2.4. TAX LIMITATION. So long as Applicant makes the Qualified Investment as defined by Section 2.5 below, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- A. the Market Value of the Applicant's Qualified Property; or
- B. Twenty Million Dollars (\$20,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Section 313.052 of the TEXAS TAX CODE.

2.5. QUALIFIED INVESTMENT FOR TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in 2.4 for the Qualified Property identified in Article III, Applicant shall:

- A. have completed a Qualified Investment in the amount of \$262,000,000.00 by the end of the Qualifying Time Period;
- B. have created the number of Qualifying Jobs specified in, and in the time period specified on, Schedule C of the Application; and
- C. be paying the average weekly wage of all jobs in the county in which District's administrative office is located for all non-qualifying jobs created by Applicant.

2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by 2.4, Applicant shall:

- A. provide payments to District sufficient to protect the future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide payments to the District that protect District from the payment of extraordinary education related expenses related to the project, as more fully specified in Article V;
- C. provide such supplemental payments as more fully specified in Article VI; and
- D. create and Maintain Viable Presence on and/or with the qualified property and perform additional obligations as more fully specified in Article VII of this Agreement.

ARTICLE III **QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of making the Qualified Investment and during the period starting with the Application Approval Date and ending on the Final Termination Date, the Land is and shall be within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description of such zone is

attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described on **EXHIBIT 2** which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(c) of the TEXAS TAX CODE, the Comptroller's rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. If at any time after the Application Approval Date there is a material change in the Qualified Property located on the land described in **EXHIBIT 2**; or, upon a reasonable request of District, Comptroller, the Appraisal District, or the State Auditor's Office, Applicant shall provide to District, Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, or permanent, non-removable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. Applicant's Qualified Property described above in Section 2.3 qualifies for a tax limitation agreement under Section 313.024(b)(1) of the TEXAS TAX CODE as a manufacturing facility.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article V in this Agreement. Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the risk of any negative financial consequence to District in making the decision to enter into this Agreement will be borne solely by Applicant and not by District.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT.

Subject to the provisions of Sections 5.1 and 5.2, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date, the "M&O Amount" shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

A. The M&O Amount owed by Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue; based on the following definitions:

- i. "Original M&O Revenue" means the total State and local Maintenance and Operations Revenue that District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property been subject to the ad valorem maintenance & operations tax.
- ii. "New M&O Revenue" means the total State and local Maintenance and Operations Revenue that District actually received for such school year.

B. In making the calculations required by this Section 4.2 of this Agreement:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 4.2 of this Agreement results in a negative number, the negative number will be considered to be zero.
- iv. For all calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection *ii* of this subsection will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 4.2 of this Agreement shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

Section 4.3. STATUTORY CHANGES AFFECTING O&M REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to District, up to the revenue protection amount limit set forth in Section 6.1, that are necessary to offset any negative impact on District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 3.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following:

A. all non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project; and

B. any other loss of District revenues which are, or may be attributable to the payment by Applicant to or on behalf any other third party beneficiary.

ARTICLE VI SUPPLEMENTAL PAYMENTS

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

A. Notwithstanding the foregoing, the total annual supplement payment made pursuant to this article shall:

i. not exceed in any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year; and

ii. only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

B. This limitation does not apply to amounts described by Section 313.027(f)(1)-(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.

C. For purposes of this Agreement, the amount of the Annual Limit shall be \$92,000 based upon the District's 2014-215 Average Daily Attendance of 920 rounded to the whole number.

ARTICLE VII ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 7.1 ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by Applicant to District for such Tax Year, plus the sum of all payments otherwise due from Applicant to District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that Applicant would have paid to District for such Tax Year (determined by using District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Section 4.2 of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from Applicant to District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

Section 7.2. OPTION TO TERMINATE AGREEMENT. In the event that any payment otherwise due from Applicant to District under Article IV, Article V, and/or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1 above, then the Applicant shall have the option to terminate this Agreement. Applicant may exercise such option to terminate this Agreement by notifying District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred.

Section 7.3. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

B. the provisions of this Agreement regarding payments, records and dispute resolution shall survive the termination or expiration dates of this Agreement.

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive and maintain the limitation authorized by 2.4 in addition to the other obligations required by this Agreement, Applicant shall Maintain Viable Presence in District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure. The Final Termination Date will only be extended for the mutually agreed length of the Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by 2.4 in addition to the other obligations required by this Agreement, Applicant shall submit the following reports completed by Applicant to the satisfaction of Comptroller on the dates indicated on the form and starting on the first such due date after the Application Approval Date:

A. The Annual Eligibility Report, Form 50-772 located at Comptroller website <http://www.window.state.tx.us/taxinfo/taxforms/50-772.pdf>;

B. The Biennial Progress Report, Form 50-773, located at Comptroller website <http://www.window.state.tx.us/taxinfo/taxforms/50-773.pdf>; and

C. The Job Creation Compliance Report, Form 50-825, located at the Comptroller website http://www.texasahead.org/tax_programs/chapter313/forms.php.

Section 8.3. COMPTROLLER'S ANNUAL REPORT ON CHAPTER 313 AGREEMENTS.

During the term of this Agreement, both Parties shall provide Comptroller with all information reasonably necessary for Comptroller to assess performance under this Agreement for the purpose of issuing Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. During the term of this Agreement, and upon the written request of District, the State Auditor's Office, or Comptroller, the Applicant shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. Applicant shall allow authorized employees of District, the Comptroller, the Appraisal District, and/or the State Auditor's Office to have access to Applicant's Qualified Property and/or business records, in accordance with Section 22.07 of the TEXAS TAX CODE, from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of Applicant, and shall be conducted in accordance with Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide District, Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; INDEPENDENT AUDITS.

This Agreement is subject to review and audit by the State Auditor pursuant to Section 2262.003 of the TEXAS GOVERNMENT CODE and Section 331.010(a) of the TEXAS TAX CODE, and the following requirements:

A. District and Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. Applicant and District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the later of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. District and Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to the Applicant's Qualified Property, Qualified Investment, Qualifying Jobs, and wages paid for Non-Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by Comptroller, State Auditor's Office, State of Texas or their authorized representatives. Applicant and District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, Applicant's failure to comply with this Section shall constitute a material breach of this Agreement.

C. Comptroller may require, at Applicant's or District's sole cost and expense, as applicable, independent audits by a qualified certified public accounting firm of Applicant's, District's or the Comptroller's books, records, or property. The independent auditor shall provide Comptroller with a copy of such audit at the same time it is provided to Applicant and/or District.

D. In addition to and without limitation on the other audit provisions of this Agreement, pursuant to Section 2262.003 of the TEXAS GOVERNMENT CODE, the state auditor may conduct an audit or investigation of Applicant or District or any other entity or person receiving funds from the state directly under this Agreement or indirectly through a subcontract under this Agreement. The acceptance of funds by Applicant or District or any other entity or person directly under this Agreement or indirectly through a subcontract under this Agreement acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, Applicant or District or other entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. This Agreement may be amended unilaterally by Comptroller to comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.003 of the TEXAS GOVERNMENT CODE.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which Comptroller would not have approved this Agreement and District would not executed this Agreement. By signature to this Agreement, Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct; and

B. acknowledges that if Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that Applicant has violated any of the representations, warranties, guarantees, certifications or affirmations included in the Application or this Agreement, Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by 34 Tex. Admin. Code § 9.1053(f)(2)(L).

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT. Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions:

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to an material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. Applicant failed to have complete Qualified Investment as required by Section 2.5 of this Agreement;

C. Applicant failed to create the number of Qualifying Jobs specified in Schedule C of the Application;

D. Applicant failed to pay the average weekly wage of all jobs in the county in which District's administrative office is located for all Non-Qualifying Jobs created by Applicant;

E. Applicant failed to provide payments to District sufficient to protect the future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

F. Applicant failed to provide payments to the District that protect District from the payment of extraordinary education related expenses related to the project, as more fully specified in Article V of this Agreement;

G. Applicant failed to provide such supplemental payments as more fully specified in Article VI of this Agreement;

H. Applicant failed to create and Maintain Viable Presence on and/or with the qualified property as more fully specified in Article VIII of this Agreement;

I. Applicant failed to submit the reports required to be submitted by section 8.2 to the satisfaction of Comptroller on the dates indicated on the form;

J. Applicant failed to provide the District or Comptroller with all information reasonably necessary for District or Comptroller determine whether Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

K. Applicant failed to allow authorized employees of District, Comptroller, the Appraisal District, and/or the State Auditor's Office to have access to Applicant's Qualified Property and/or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of Applicant's Qualified Property;

L. Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with the Agreement.

M. Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles III and IV, of this Agreement; or

N. Applicant fails either to:

i. Implement a plan to remedy non-compliance as required by Comptroller pursuant to 34 TAC Section 9.1059; or

ii. Pay a penalty assessed by Comptroller pursuant to 34 TAC Section 9.1059.

Section 9.2. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

A. In the event that Applicant terminates this Agreement without the consent of District, except as provided in Section 7.2 of this Agreement, or in the event that Applicant fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 9.3, then District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 9.3.C on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Article IV, V, and VI of this Agreement.

B. Notwithstanding Section 9.2.A, in the event that District determines that Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then

Applicant shall pay to District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of District ad valorem taxes for all of the Tax Years for which a Tax Limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by Applicant to District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 7.5. For purposes of this liquidated damages calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Article IV, V, and VI. Upon payment of such liquidated damages, Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

C. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, District shall first determine the base amount of recaptured taxes less all credits under Section 9.2.A owed for each Tax Year during the Tax Limitation Period. District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.2.A had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.3. LIMITED STATUTORY CURE OF MATERIAL BREACH. In accordance with the provisions of Section 313.0275 of the Texas Tax Code, for any full tax year which commences after the project has become operational, Applicant may cure the Material Breaches of this Agreement, defined in Sections 9.1.C. or 9.1.D, above, without the termination of the remaining term of this Agreement. In order to cure its non-compliance with Sections 9.1.C. or 9.1.D for the particular Tax Year of non-compliance only, Applicant may make the liquidated damages payment required by Section 313.0275(b) of the Texas Tax Code, in accordance with the provisions of Section 313.0275(c) of the Texas Tax Code.

Section 9.3. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has committed a material breach of this Agreement, such as making a misrepresentation in the Application, failing to Maintain Viable Presence in District as required by Section 8.1 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committed a material breach of this Agreement, District shall provide Applicant with a written notice of the facts which it believes have caused the material breach of this Agreement, and if cure is possible, the cure proposed by District. After receipt of the notice, Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in material breach of its obligations under the Agreement, or that it has cured or undertaken to cure any such material breach.

B. If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a material breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also terminate the Agreement and determine the amount of recaptured taxes under Section 9.2.A and B (net of all credits under Section 9.2.A and B), and the amount of any penalty and/or interest under Section 9.2.C that are owed to District.

C. After making its determination regarding any alleged breach, the Board of Trustees shall cause Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination.").

Section 9.4. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.3, Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's determination of breach under Section 9.3, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then residing in Polk County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) District shall bear one-half of such mediator's fees and expenses and Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90) days, District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Chapter 33, Subchapters B and C, of the Texas Tax Code for the collection of delinquent taxes. In the event that

District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on Applicant's Qualified Property and Applicant's Qualified Investment pursuant to Section 33.07 of the Texas Tax Code to the attorneys representing District pursuant to Section 6.30 of the Texas Tax Code.

C. In any event where a dispute between District and Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section, either District or Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any covenant, agreement or undertaking made by a Party pursuant to this Agreement.

Section 9.5. LIMITATION OF OTHER DAMAGES. Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, District's damages for such a default shall under no circumstances exceed the greater of either any amounts calculated under Sections 9.2 above, or the monetary sum of the difference between the payments and credits due and owing to Applicant at the time of such default and District taxes that would have been lawfully payable to District had this Agreement not been executed. In addition, District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. BINDING ON SUCCESSORS. In the event of a merger or consolidation of District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

ARTICLE X.

MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile transmission, with "answer back" or other "advice of receipt" obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

B. Notices to District shall be addressed to District's Authorized Representative as follows:

	To the District	With copy to
Name:	Corrigan-Camden ISD	Powell & Leon. LLP
Attn:	Superintendent Sherry Hughes, Or her successor	Attn: Sara Hardner Leon
Address:	504 S Home Street	115 Wild Basin Road #106
City/Zip:	Corrigan, Texas 75939	West Lake Hills TX 78746
Phone #:	(936) 398-4040	Phone #: (512) 494-1177
Fax #:	(936) 398-4616	Fax #: (512) 494-1188
Email:	shughes@ccisdtx.com	sleon@powell-leon.com

C. Notices to Applicant shall be addressed to its Authorized Representative as follows:

Name: Martco Limited Partnership, Roy O. Martin Lmb Mgt, LL
Attn: Roy O. Martin
Address: PO Box 1110
City/Zip: Alexandria, LA 71309-1110
Phone: (318) 542-0373
Fax #: (318) 473-2624
Email: roy.martin@royomartin.com

or at such other address or to such other facsimile transmission number and to the attention of such other person as Applicant may designate be written notice to District.

Section 10.2. AMENDMENTS TO AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of subsection B hereof. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement.

B. By official action of the District's Board of Trustees, this Agreement may only be amended according to the following:

- i. Applicant shall submit to District and Comptroller:
 - a. a written request to amend the Application and this Agreement which shall specify the changes Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by District and considered by Comptroller;
 - c. and any additional information requested by District or Comptroller necessary to evaluate the amendment or modification; and
- ii. Comptroller shall review the request and any additional information and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by Comptroller by the end of the 90 day period, the request is denied;
- iii. If Comptroller has not denied the request, District's Board of Trustees shall

approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Agreement adding additional or replacement Qualified Property pursuant to this Section 10.3 of this Agreement shall:

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the Texas Tax Code;
- ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and
- iii. define minimum eligibility requirements for the recipient of limited value.

D. This Agreement may not be amended to extend the value limitation time period beyond its ten year statutory term.

Section 10.4. ASSIGNMENT. Any assignment of the interests of Applicant in this Agreement is considered an amendment to the Agreement and Applicant may only assign this Agreement, or a portion of this Agreement, after complying with the provisions of Section 10.3 regarding amendments to the Agreement.

Section 10.5. MERGER. This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS. When appraising the Applicant's Qualified Property and the Applicant's Qualified Investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

Section 10.7. GOVERNING LAW. This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in the County.

Section 10.8. AUTHORITY TO EXECUTE AGREEMENT. Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 10.9. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions

contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 10.10. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.11. INTERPRETATION. When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase "but not limited to." Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

Section 10.12. EXECUTION OF COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 10.13. PUBLICATION OF DOCUMENTS. The Parties acknowledge that District is required to publish Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of such document, the school district shall submit a copy to Comptroller for Publication on Comptroller's Internet website;

B. District shall provide on its website a link to the location of those documents posted on Comptroller's website;

C. This Section does not require the publication of information that is confidential under Section 313.028 of the Texas Tax Code.


Section 10.14. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. Applicant shall immediately notify District in writing of any actual or anticipated change in the control or ownership of Applicant and of any legal or administrative investigations or proceedings initiated against Applicant regardless of

the jurisdiction from which such proceedings originate.

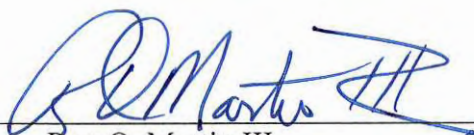
Section 10.15. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, Applicant's duty to disclose continues throughout the term of this Contract.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 9th day of December, 2014.

CORRIGAN-CAMDEN
INDEPENDENT SCHOOL DISTRICT


By: Sean Burks, President,
Board of Trustees

MARTCO LIMITED PARTNERSHIP,
ROY O. MARTIN LMB MGT, LL


By: Roy O. Martin III
President

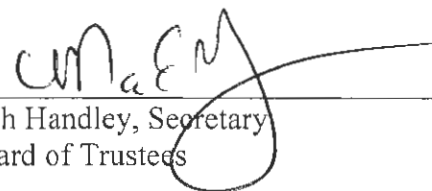
Attest: 
Seth Handley, Secretary
Board of Trustees

EXHIBIT 1

**DESCRIPTION AND MAP OF REINVESTMENT
ZONE and/or ENTERPRISE ZONE**

The reinvestment zone shall be that adopted by the Polk County Commissioners Court on December 9, 2014, and as attached hereto.

EXHIBIT 2

DESCRIPTION AND LOCATION OF THE APPLICANT'S QUALIFIED INVESTMENT

The Qualified Investment will be located West of Highway 59 and South of Highway 287 in Polk County, Texas, and is found within the area described as "...a 1,700 acre tract of land, more or less, situated in the Samuel L. Crissman Survey, Abstract Number 22, the George Jamison Survey, Abstract Number 41, the J.W. Angeli Survey, Abstract Number 878, the J. Poitevent Survey #9, Abstract Number 493 and the J. Poitevent Survey #40 (a/k/a the Charles Bender Survey), Abstract Number 893, all in Polk County Texas

Agreement for Limitation on Appraised Value
Between Between Corrigan-Camden ISD and
Martco Limited Partnership, Roy O. Martin LMB
MGT, LLC

December 9, 2014

Texas Economic Development Act Agreement
Comptroller Form 50-286
(January 2014)

EXHIBIT 3

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property within the reinvestment zone described at Exhibit 1 hereto and necessary for the commercial operations of the proposed manufacturing facility described in Tab 4 of the Application. Qualified property includes, but is not limited to:

Oriented Strand Board Plant:

- Compressors
- Forklifts-inside
- Forklifts-outside
- Machine Shop M&E
- Office Electronic Machines
- Office F&F
- OSB M&E
- Pollution Control M&E
- Water Systems
- Other Real Property
- Land and Improvements
- Land

Agreement for Limitation on Appraised Value
Between Between Corrigan-Camden ISD and
Martco Limited Partnership, Roy O. Martin LMB
MGT, LLC

*Texas Economic Development Act Agreement
Comptroller Form 50-286 (January
2014)*

December 9, 2014